



Is there anyone out there?

The universal question, part four
Section Two, cover story

Play Formula 1 Dream Team

See page 8, Section Two

Celebrity wars

Hello! and OK! go head to head
Media, Section Two

'The plan is destructively simple: make it impossible for them to live together'

Patrick Cockburn

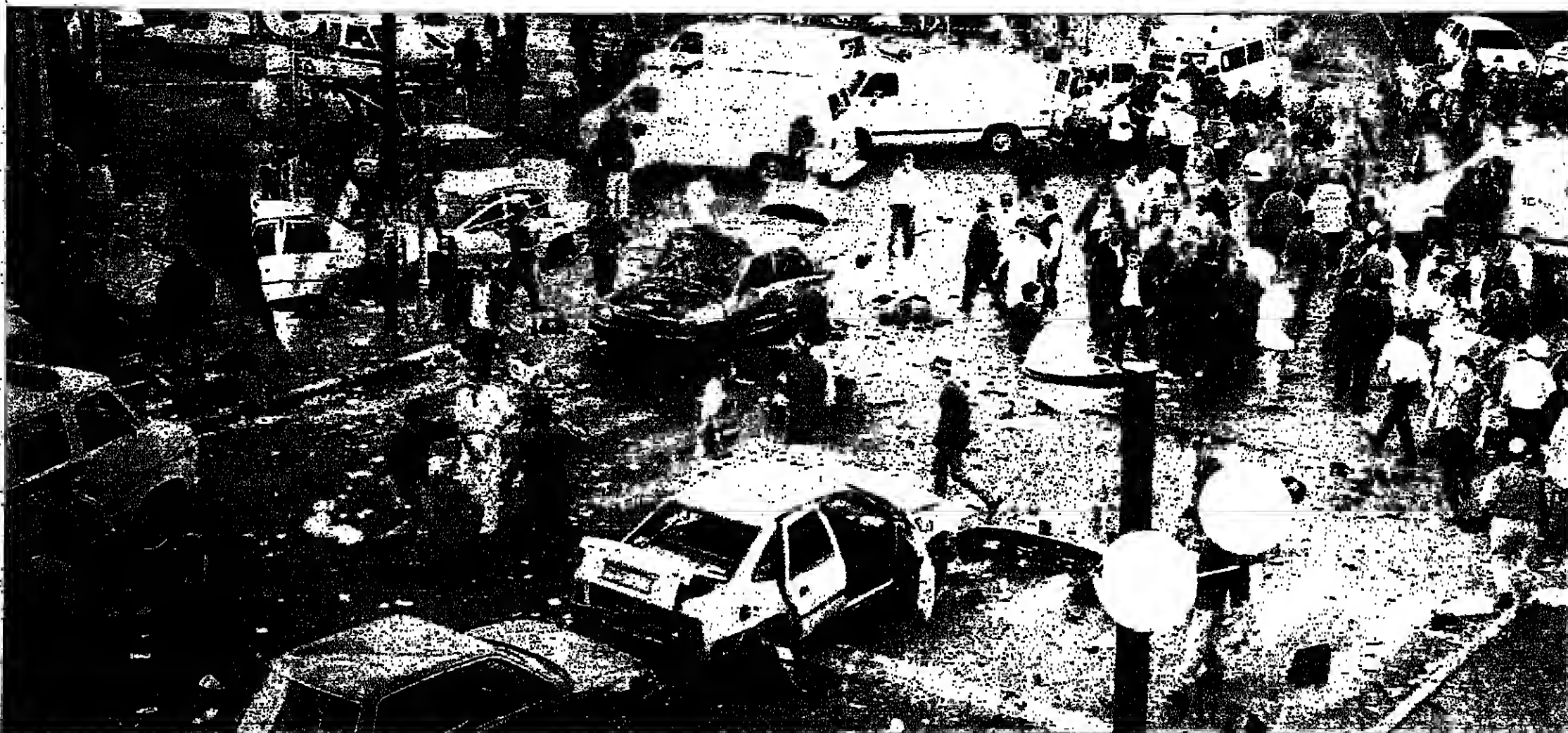
The fourth suicide bomb in nine days, killing up to 20 people in the heart of Tel Aviv, has torpedoed the hopes of peace between Israelis and Palestinians. It has mortally wounded the government of Shimon Peres, the Israeli Prime Minister and architect of the Oslo accords, which laid the basis for Palestinian self-determination.

Israelis feel that an agreement which was meant to bring them peace has brought them only war, and it is an understandable feeling. The suicide bomb is a peculiarly effective weapon of pure terror. There is no obvious way of stopping them; they strike while people are catching a bus, crossing the road, or, as yesterday, shopping on the corner of Dizengoff Street and King George Street in central Tel Aviv. It is a highly effective weapon.

The reaction of ordinary Israelis is to strike back blindly, almost regardless of the target. The government has now told Yasser Arafat that either he crushes Hamas, the movement from which the bombers came, or they will do it for him. It is a threat with dire consequences: it probably means invading Gaza, or the other newly autonomous Palestinian areas.

Mr Arafat made it clear last night that he will go some way to meeting Israel's demands. He has already begun to round up Hamas leaders and activists. Israeli opinion demands that he go further, and that everybody associated with Hamas should be behind bars. But this is unlikely to resolve anything in the long term. The suicide bombers so far identified came from Hebron, south of Jerusalem, which is not under Mr Arafat's control.

Military action by Israel will not end the suicide bombs. If anything it means that there will be more of them. But the idea, which Mr Peres originally tried



Death on the streets of Israel: Some of the victims of yesterday's suicide bomb were killed as the bomber crossed the road towards a shopping mall in the heart of Tel Aviv

Photograph: AP

to end that peace, like war, has its sacrifices, has lost whatever special it had. After the bomb in Jerusalem, on Sunday the crowds shouted: "No more victims of peace."

It has all happened with extraordinary speed. Only ten days ago Mr Peres seemed to be on the verge of a landslide victory at the polls. Almost 60 per cent of Israelis said they approved of the Oslo accords. There had been no bomb attacks for seven months. The right-wing West Bank settlers had been discredited by last summer's violence which culminated in the assassination of Yitzhak Rabin, the prime minister, last November.

It was, we can see with hindsight, a honeymoon period, a moment of calm in the shadow

of the murder of Mr Rabin. Last year Israelis and foreigners alike had forgotten the fanaticism of the Jewish religious nationalists determined to hold on to the God-given territory of the West Bank. They remembered

only when Yigal Amir fired three bullets into the back of Mr Rabin.

This year it was easy enough, as Israel smoothly withdrew from the West Bank towns, to forget that Islamic religious

nationalists had not gone away.

The assassination of Yahya Ayyash, the master bomb-maker of Hamas, started the present round of tit-for-tat killings. Some retaliation had been expected. What had not been expected was that vengeance would be so devastating, sudden, deadly. It is difficult to accept that Ayyash alone was the motive. Twice the bombers said they had called a truce: twice

their words were contradicted by another bomb. The plan is destructively simple: to make it impossible for Israelis and Palestinians to live together. It is a chilling logic. Whatever Hamas faction is responsible for

the bombs it is reasonable for Israel to demand that the group be wiped out in Gaza. Mr Arafat cannot continue manoeuvres to split Hamas. Even if the cells carrying out the bombings are based in Hebron and Jerusalem, both controlled by Israel, it is Mr Arafat who has to close Hamas down.

In return it is reasonable for Mr Arafat to get the powers of a proper state. One of the reasons why the military wing of Hamas has been able to operate is that the West bank has two authorities, one Israeli and one Palestinian. This dual power was always unsatisfactory. It was always going to produce friction and, in places like Hebron, a vacuum of authority.

Further reports, page 9
Peace blown apart? page 15

Howard urged to investigate terror link

JASON BENNETTO
Crime Correspondent

Michael Howard, the Home Secretary, was yesterday urged to investigate whether members of the terrorist group responsible for the latest bombing in Israel is using Britain as a base to organise its activities and raise funds.

Anti-terrorist officers and the security service have long been aware of groups of Islamic West Bank Palesti-

ans based in London who carry out fundraising. This is understood to include supporters of Hamas, the group which claimed responsibility for the two suicide bombings in Israel in the past two days.

Last year it emerged that Ramadan Shallah, the new head of Islamic Jihad, a Damascus branch of Hamas, spent three years doing a PhD in economics at Durham University. He left in 1990.

Greville Janner, the Labour MP, said yesterday that he is writing to Mr

Howard asking him to investigate whether supporters of terrorists are abusing immigration laws to gain entry to Britain to use it as a base to organise their activities abroad.

Mr Janner, vice-chairman of the British-Israeli Parliamentary Group, said: "The latest outrage has simply heightened the concern that has been felt by a lot of MPs on both sides of the House for years." He said he would also be seeking assurances that Mr Howard

was satisfied with the levels of co-operation with foreign intelligence services.

A Foreign Office spokesman played down reports of a Hamas cell in Britain. "We have seen no proof to support allegations that funds raised by Hamas in the UK are used directly in support of terrorist acts elsewhere," he said.

The Home Office said the Government was determined the UK should not be used as a base for any terrorists to raise funds or plan operations.

Countdown begins to satellite crash

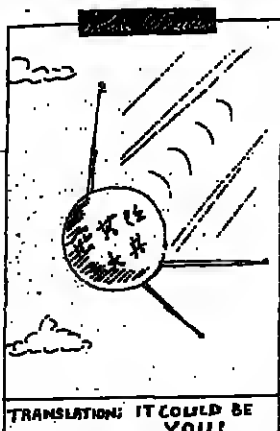
CHARLES ARTHUR
Science Correspondent

If you have not taken out insurance on your house, it might be a good idea to do so. A one-tonne Chinese satellite is plummeting out of control towards Earth and there is a 1 in 300 chance it will land in Britain.

According to European Space Agency calculations, the satellite - called FSW-1 - will crash into the Earth at 4am next Tuesday, at a speed of about 450mph. "If you were there when it entered the atmosphere, you would probably first hear a sonic boom [as it slowed down, below the speed of

sound], followed by a loud crash on impact," said Richard Crowther, of the Defence Research Agency in Farnborough, which is monitoring the satellite's progress.

The satellite is in an elliptical orbit which takes it around Earth every 90 minutes, between 56 degrees north and 56 degrees south of the Equator. At present, it spends a total of about five minutes each day over the UK. Its altitude varies between 85 and 270 miles, and as it skims the atmosphere on each circuit it slows down, like a spinning stone skipping over water. Eventually it will be moving too slowly to stay aloft.



TRANSLATION: IT COULD BE YOU!

It is impossible to predict where the satellite will land until its final orbit, and even then only with about 30 minutes' warning. The Home Office has urged local authorities to prepare "emergency measures".

Universal Question, Section Two

Tyre defects 'covered up'

PETER VICTOR

The tyre manufacturer Dunlop was criticised yesterday by a High Court judge for covering up 300 incidents involving a faulty brand of tyre, which caused at least one fatal motorway smash.

The firm, which last week agreed to pay £597,000 in compensation to a family injured in the crash, withheld information about the defect from Department of Transport officials investigating two other fatal crashes.

Judge Kenneth Wilson-Mellor, QC said firms should "take reasonable care" to protect public safety if faults are discovered.

He said Dunlop should have issued safety warnings and notified the DoT about a fault in its SP4 tyre, which led to a fatal crash on the M4 motorway near Swindon, in July 1988.

Lolita Barclay, 12, died and four others were injured when a Ford Cortina ploughed into an Austin Princess containing a family on the first day of their summer holiday. Susan Carroll was left blind, disfigured and mentally impaired by the crash.

Her husband, Alan, suffered a punctured lung and their children Catherine, then 14, and Stephen, then nine, were seriously hurt. Last Friday the family from Grove, near Wantage, Oxon, was awarded £597,000, after suing Dunlop.

During the hearing it was revealed that the puncture was caused when the tyre's rubber tread stripped away from its steel bonding. Dunlop admitted knowing of the defect in 1981 but claimed the blow out was caused by the tyre being driven too fast whilst worn and under-inflated. Judge Wilson-Mellor ruled Dunlop was 80-per-cent liable for the accident.

The judge said Dunlop, which sold its tyre manufacturing division to a Japanese firm, SP Tyres, in 1985, never fully investigated the problem.

During the five-week court case the judge heard evidence from Dunlop's claims assessor, David Paine, that there had been claims of more than 300

similar accidents involving tread stripping from the SP4 tyre between 1985 and 1989. These, the judge said yesterday, were covered up. Management had advised Mr Paine to withhold information from the DoT.

The judge said: "The Department of Transport wrote to Dunlop asking for reports on these cases, and for a report of other cases of tread-stripping occurring to Dunlop tyres."

These letters referred to Mr Paine who answered the first by repeating his view that the relevant tyre had failed for reasons unconnected with any defect... His management required him, in effect, to cover up information included in his schedule of claims."

IN BRIEF

Blow for Murdoch

A Tory revolt has forced a change of policy to stop Rupert Murdoch's television corporation buying up the "crown jewels" of British sport. Page 3

Building hope

Cowboy builders could be doomed if recommendations including a compulsory warranty and specialist court arbitration are adopted. Page 4

Today's weather

Cloudy and cool with showers in the south. Sunny spells in Scotland. Section Two, page 25

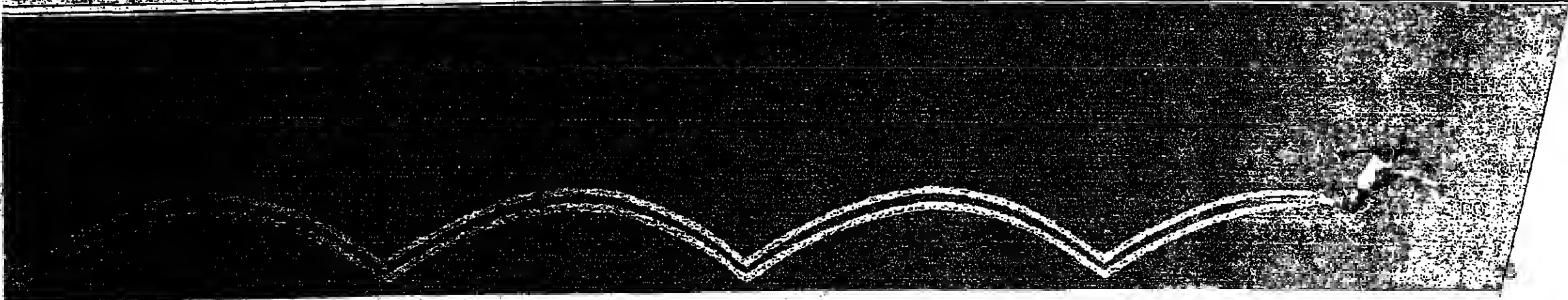


9 770851 946428

SECTION ONE BUSINESS 16-20 COMMENT 14-15 CROSSWORD 24 GAZETTE 12 LEADING ARTICLES 14 LETTERS 14 NEWS 2-11 OBITUARIES 12 SHARES 20 SPORT 21-24

section TWO

ARTS 12-15 CHESS 26 CROSSWORD 26 FASHION 16,17 HEALTH 9-11 LISTINGS 24 MEDIA 16-23 REVIEWS 14,15 TELEVISION & RADIO 27,28 WEATHER 25



When you fly Delta nothing should get in the way of you relaxing. Our flight attendants recognise whether to leave you alone, to let you sleep or to make time for a friendly chat. That's why every passenger who gets off any of the 500 flights to our home town of Atlanta, the venue of the 1996 Olympics, arrives feeling like they can take on the world. For flight or ticket information call 0800 414 767. THE OFFICIAL AIRLINE OF THE BRITISH OLYMPIC TEAM.

Ad

news

Euro row hits Clarke's upbeat appeal

COLIN BROWN
Chief Political Correspondent

Conservative Euro-sceptics were in open revolt against the Chancellor last night over the single currency in a row which threatened to overshadow his promises of economic recovery.

John Major will return from the Far East tomorrow under growing pressure from his Cabinet colleagues to settle the rift by backing a referendum on a single currency next week when

a European White Paper is published.

Kenneth Clarke yesterday infuriated the Euro-sceptics by strengthening his opposition to a referendum. Some Cabinet ministers, who are due to discuss the White Paper on Thursday, said Mr Major should overrule the Chancellor, in spite of the risk of forcing his resignation.

"I can't see why Major does not agree to a referendum. It is absolutely inevitable. I think

something will be said alongside the White Paper to make it clear there will be a referendum," one Cabinet source said.

John Redwood, the former Cabinet minister, writing in *The Independent* today makes it clear that the single currency is the biggest issue facing the Government. Mr Clarke said a referendum would be considered when Britain considers joining a single currency.

Mr Clarke was blown off course by the clash with his own

backbenchers, in a Commons debate in which he had planned to boost Tory morale with the prospects for a consumer-led boom, fuelled by some of the £20bn from maturing Tessa tax-free savings plans.

Appealing to Tory voters with an economic assessment verging on "you've never had it so good", Mr Clarke said "Middle England" would see real improvements in its standard of living, with greater prosperity and more jobs "without a return

to boom and bust". Britain faced the "most attractive economic prospects for a generation", the Chancellor said.

"There are great bargains for first-time buyers... The spring of 1996 could be a good time for the housing market," he said. His remarks, three days before his meeting with the Governor of the Bank of England, were seen as a clear signal of a further cut in interest rates.

But his optimism failed to quell Euro-sceptic MPs who

were furious at an interview in which he warned that Britain could expect to pay higher interest rates than Germany and France without a single currency.

He was attacked as "crackers" by Teresa Gorman, one of the former whipless Tory MPs. Bill Cash, a leading Euro-sceptic, angrily told Mr Clarke millions of voters were opposed to a single currency.

Senior Conservative sources said Michael Portillo, the right-wing champion in the Cabinet,

was against a commitment to a referendum because he feared he would have to resign from the Cabinet in order to fight for a "no" vote.

The Tory centre-left Maceod Group will back the Chancellor tomorrow in a policy paper - exclusively forecast in *The Independent* - calling on the Government to keep open the option of a single currency.

Inside Parliament, page 8
Leading article, page 14
John Redwood, page 15

Major calms fears over HK handover

DONALD MACINTYRE
and STEPHEN VINES
Hong Kong

John Major yesterday took steps to quell widespread anxiety in Hong Kong with a stronger than expected series of measures and pledges designed to build confidence in the colony in the run up to its handover to China in 1997.

As expected, the centrepiece of a package broadly welcomed by local politicians was the Prime Minister's announcement that around 2 million Hong Kong Chinese without UK travel documents will be able to visit Britain without visas.

But Mr Major went further by giving what he insisted was a firm guarantee that 7,000 mainly Indian and Pakistani potentially stateless ethnic minority residents would be able to come to Britain to live if the Chinese fulfilled their worst fears by putting them under pressure to leave the territory. And in a modest but powerfully symbolic move he promised to clear a legislative path to grant British citizenship to 27 wives and widows of Hong Kong soldiers who fought in the British Army in the Second World War.

In a strenuous, and apparently effective, effort to reassure the colony's population that Britain would retain "continued

responsibilities" for Hong Kong after the handover, the Prime Minister also promised to "pursue every legal or other avenue to enforce the 1984 Sino-British Joint Declaration including its provision for a democratic voice for the people of Hong Kong after 1997. Mr Major said that next summer the "eyes of the world" would be on Hong Kong as it reverted to China and declared: "Hong Kong will never have to walk alone."

The promise by Mr Major - who went further than before in firmly identifying the declaration as a legally enforceable treaty - raises the prospect of an action before the International Court of Justice or through the UN if China abolishes the elected Legislative Council - as it says it is determined to do - without an adequate replacement.

However, the measures fall far short of the demands of many in the colony for full rights of UK residence for the 3 million holders of restricted British National Overseas passports.

Martin Lee, the leader of Hong Kong's largest political party, the Democrats, said he was "obviously happy" about the decision on visas. James Tien, from the business-oriented Liberal Party, said he hoped the move would be followed by other European countries.

Mr Major was given an enthusiastic reception during a walkabout at the Sba Tin shopping centre by several thousand ordinary Hong Kong residents - some shouting in Cantonese "thank you for the visas" - as he went on a handshaking tour of the crowd with the territory's governor Chris Patten.

In a speech to a businessmen's lunch in which Mr Major was passionate about the Hong Kong's dynamic ability to defy the predictions "of doomsters and gloomsters", the Prime Minister promised that British ministers would continue to say "in public and private" that it disagreed with China over its declared intention to dismantle the legislative committee and the territory's Bill of Rights.

British officials say they do not expect more than about 13,000 people a year to take advantage of visa-free access, which confers no rights of residence. There is little or no evidence of Hong Kong citizens using visitors' rights as a backdoor route to illegal immigration, but there was angry reaction from some backbench Tory MPs, who fear that many may now do so.

Home Office sources insisted, that if there was any evidence the concession was being abused, it would be withdrawn "at 24 hours' notice if necessary".

Pledges of support seen as empty words

Just over a month ago, the Foreign Secretary, Malcolm Rifkind, was in Hong Kong delivering the blunt message that the people of the colony should not expect too much from the outgoing sovereign power, whose hands were largely tied, in the remaining year and a half of colonial rule.

The message was not well received but was accepted as reflecting new realities. Yesterday, however, the Prime Minister delivered a seemingly entirely different message. His main theme, stated not once but several times, was: as he put it, that "Hong Kong will never have to walk alone".

He said Britain would be "vigilant" in making sure that agreements made with China over the transfer of sovereignty were kept and stressed the high level of business, trading and other connections.

After so many disappointments about British policy Hong Kong people are naturally sceptical about the motives of the Government in London. Martin Lee, the leader of the Democratic Party, the colony's largest party, was so confident that Mr Rifkind would do nothing about a vague promise to grant visa-access to Britain for holders of Hong Kong's new Special Administrative Region passports that he bet him £50 that the pledge would not be ful-

Analysis

filled. Yesterday, Mr Lee gave Mr Major a cheque to pass on to Mr Rifkind and wondered aloud whether he had finally hit on a way to make Britain honour its vaguely made pledges.

Others are not gambling, they are simply shunning all things British. On Sunday night, a dinner in Mr Major's honour was notable for the number of seats occupied by civil servants which, in past years would have been filled by business leaders and other prominent personalities who never turned down an invitation to Government House.

Mr Major told his audience that businessmen with access to Chinese officials had a "special responsibility" in the run-up to the handover. "If you don't appear to care about the survival of Hong Kong's system - its rule of law, clean government and a free society - then others may draw the conclusion that they don't really matter." The businessmen showed no sign of responding, however. They sense the presence of a dying regime and see no need to revive it.

But what of the bulk of the population who have no foreign passport in their back pocket and no access to the leaders of the new regime? What will they

make of Mr Major's visit? One young journalist seemed to sum up the general mood of cynicism. "He's just trying to look good by offering us visas for free. It's a no big deal and costs him nothing."

The only member of the public permitted to ask Mr Major a question during his visit, rose at the businessman's lunch to ask the Prime Minister whether he could "sleep comfortably at night" after handing over 6 million people to a government they did not want.

This question produced Mr Major's only flash of anger during the day, causing him to confuse the lease which Britain holds for possession of the New Territories, with a lease for Hong Kong as a whole. It is the New Territories lease which expires next year, whereas the central part of the colony was ceded to Britain in perpetuity. It may be a pedantic point because the colony would find it difficult to operate without its New Territories hinterland, but it is indicative of the lack of attention that British politicians pay to the details of Hong Kong problems. Such things are noticed, and even when the Prime Minister comes bearing small gifts, they are received with little more than a shrug.

STEPHEN VINES



No entry: Adams (right) and McGuinness find their way blocked into Stormont Castle

Photograph: Crispin Rodwell

Adams tries to seize PR initiative as talks start

DAVID MCKITTERICK
Ireland correspondent

Political talks at Stormont in Northern Ireland got off to an unpromising start yesterday when some of the invited people stayed away and some uninvited people turned up, to be refused entry.

The publicity initiative was seized by the Sinn Féin president, Gerry Adams, who appeared with a large party delegation, only to be unceremoniously turned away at the gates. He was told quietly but firmly by a government official that Sinn Féin was not to be allowed in. Inside the talks building the Northern Ireland Secretary, Sir Patrick Mayhew,

and the Irish foreign affairs minister, Dick Spring, were joined by the SDLP and Alliance parties, together with one of the fringe loyalist groupings, the Ulster Democratic Party.

The talks were boycotted by the Ulster Unionist Party, the Democratic Unionists and another loyalist fringe party, the Progressive Unionists. The DUP leader, David Trimble, and DUP leader, the Rev Ian Paisley, are instead to meet Sir Patrick in London tomorrow. Mr Paisley said he would not enter the building because of the presence of an Irish minister.

Sir Patrick made light of this difficult first day, commenting: "This is the first of 10 days of intensive talks, I am sure it is going to succeed. After long years of experience, I think it was an entirely predictable start, but we have had inauspicious starts before and we have come through to some quite good things."

Mr Spring added: "I believe all the parties should start talking to one another."

The talks, which are due to end on 13 March, centre on the question of what type of election might bring political advance. They are also intended to consider whether a peace referendum might be held, and to work out arrangements for the main all-party talks which are due to begin on 10 June.

Both the British and Irish governments have said ministers

will not meet Sinn Féin until the IRA call a new ceasefire, but there had been some speculation that Sinn Féin could have an input into the present round of discussions via meetings with government officials.

It now appears, however, that Sinn Féin are not to be allowed into the building in the absence of a ceasefire.

Sir Patrick described the appearance of the Sinn Féin delegation as "a demonstration designed to secure publicity". The SDLP leader, John Hume, said his party had been rather surprised by the exclusion of Sinn Féin, having assumed that they would be in the building and free to talk to other parties and officials.

one's diary, the IRA now has the luxury of being able to wait and see. London and Dublin have specified that Sinn Féin will not be allowed to enter the all-party talks without a ceasefire, but the IRA can pick its moment for such an announcement.

Technically, it could do so at midnight on 9 June. It could also set off another bomb or bombs. Rightly or wrongly, most people in Ireland have drawn from recent British government behaviour the moral that violence produces results.

Between now and 10 June, the republican community as a whole will be seeking signs that a new ceasefire would be followed by a new inclusive British approach. Those hopeful for such signs will have been dismayed by yesterday's scene, with its clear implication that exclusion is still the order of the day.

Republican suspicions so high that, even if it wished to, the army council would probably feel inhibited from declaring another ceasefire at this point. The fact is that it does not have to make such a move.

With the June date in every-

British government on probation

David McKitterick examines the new layers of republican mistrust

Incidents such yesterday's piece of theatre at Stormont are being watched closely by the Irish republican community, which at the moment effectively regards the British government as being on probation.

The IRA army council, literally, calls the shots in terms of acts of violence. But that tight band of militarists has to pay attention to the wider republican community, broadly meaning the 80,000 people who regularly vote for Sinn Féin.

The Docklands bomb in London forced that community to face fundamental and challenging questions on the future. It is a notoriously difficult community to read, but the signs are that it has collectively reached the key conclusion that it does not want a return to full-scale violence.

The observer in London or Dublin, noting this and also not-

ing that the British government has now met the primary republican demand of a date for all-party talks, might be forgiven for concluding a second IRA ceasefire is now on the cards. In Belfast, however, things look different, due to a factor which is no less formidable for being intangible: lack of trust.

The unanimous opinion of the republican community is that the British government, when presented with the first IRA ceasefire, regarded it not as an opportunity to bring Sinn Féin into politics, but as a chance to push for an IRA surrender.

Republicans all now say the same thing: that the British were not serious about the

peace process, did not engage properly with it, did not respond in any imaginative way and instead followed a British and Unionist agenda.

The universality of this opinion means that fresh new layers of suspicion have been laid over ancient accretions of mistrust. A date, 10 June, may have been set for talks, but republicans are looking for proof that a new ceasefire would produce a more imaginative and flexible British response.

Republican suspicions so high that, even if it wished to, the army council would probably feel inhibited from declaring another ceasefire at this point. The fact is that it does not have to make such a move.

With the June date in every-

IN BRIEF

Cash payout for sex abuse

Four families whose sons were taken from their homes by social workers in a bungled sex abuse investigation in 1991 yesterday received undisclosed damages - and a formal apology from Orkney Island Council.

The children spent time in care but a sheriff found the prosecution of the parents, describing it as "fatally flawed", and a judicial inquiry by Lord Clyde condemned the social workers involved for acting hastily, without enough thought.

Car thieves hunt

Police in Liverpool are searching for joyriders who stole a £27,000 Vauxhall Senator from behind the city's Philharmonic Hall and abandoned it some hours later in Tosteth, undamaged but minus its mobile phone. The car belongs to Mr Paul Acres, Assistant Chief Constable of Merseyside.

Rock on, Tommy

Tommy, the stage version of the rock musical written by Pete Townshend of The Who, has taken more than £1m in ticket sales before its opening today at the Shaftesbury Theatre in London. The show stars Kim Wilde and unknown Paul Keating, 19, as the egomaniacal and dumb pinball wizard.

New cancer drug

The first new anti-cancer drug in 35 years will be available next week. Tomicept is described by the Cancer Research Campaign as a substantial advance in the treatment of bowel cancer, the second, most common after lung cancer in men and breast cancer in women and the cause of 20,000 deaths a year.

Cyprus verdicts

Trial verdicts on three British soldiers accused of kidnapping and killing a Danish tour guide on Cyprus will be delivered by judges in Larnaca on March 28. The battered and semi-naked body of Louise Jensen, 23, was found in a shallow grave on the Mediterranean island in September, 1994.

Scheme extended

The Government scheme to help people sleeping rough in central London is to be extended. The Rough Sleepers Initiative, which helps the homeless find accommodation, will first be introduced in Bristol, followed by consideration of 23 other areas in England which say they have a problem.

RUC killer jailed

An RUC constable who murdered his wife and two children was jailed for life. A Belfast jury convicted John Torney, 40, of shooting his wife Linda, 30, their son John, 13, and 10-year-old daughter Emma with his police-issue revolver at their home in Cookstown, Co Tyrone, in September 1994.

Safe at the double

Two climbers were found safe after sparking a major rescue operation in the Cairngorm mountains for the second time in 48 hours. One was airlifted to hospital, the other required no treatment. The two men, who have not been named, were also rescued on Saturday.

THE INDEPENDENT ABROAD

Austria	£240	France	£150
Belgium	£180	Italy	£150
Denmark	£150	Netherlands	£150
Germany	£210	Norway	£150
Greece	£110	Portugal	£150
Holland	£150	Spain	£150
France	£150	Sweden	£150
Germany	£210	Switzerland	£150
Greece	£110	USA	£300

OVERSEAS SUBSCRIPTIONS

By mail, 12 months: Europe £210.70; Zone 2, 1994-95; the East, America, Africa and India £384.00; Zone 2 (Per East and Australia) £384.00. To order, please send cheque payable to Johnnie Macdonald, The Independent, 100, Strand, London WC2R 0JH. Tel: 0171 373 3300. Bank account details: Bank of America, New York, USA. BSBK 000001. Bank name of the Independent is available from: Historic Newspapers, telephone 0800 420455.

Award-winning Emirates now serves Ho Chi Minh City.

When you address all Emirates calls to Winner is final. 700.

Ho! Ho! four times a week.

Emirates
THE FINEST IN THE SKY

INTERNATIONAL AWARDS, 38 INTERNATIONAL DESTINATIONS, INCLUDING HO CHI MINH CITY VIA DUBAI FROM HEATHROW, GATWICK AND MANCHESTER. CALL US ON 0171 888 0888 (LON) OR 0161 437 9007 (MAN), OR CALL YOUR TRAVEL AGENT.

هنا من الامارات

TV sports rights: Lords call a halt to Murdoch buy-out

Bottomley retreat on 'jewels in the crown'

MARIANNE MACDONALD
Media Correspondent

Virginia Bottomley yesterday retreated in the face of a Tory revolt in the Lords by announcing a change of policy to stop Rupert Murdoch's satellite television corporation buying up the exclusive rights to the "crown jewels" of British sport. The National Heritage Secretary bowed to pressure after a defeat last month by a 117 majority in the Lords to keep open access to Britain's main sporting events on BBC and ITV.

It was an embarrassing climb-down for Mrs Bottomley, campaigners were jubilant at the victory by the cross-party alliance which forced the change on the Government in the biggest upset in the Lords since the poll tax in 1988. The Heritage Department said it proposed bringing forward an amendment to the Broadcasting Bill to guarantee that live coverage of the "listed" sporting events was available on BBC and ITV.

The events are the Derby, Grand National, Wimbledon finals, FA Cup Final, Scottish FA Cup Final, the soccer World Cup, Olympic Games and England's home cricket Tests.

The same group of peers, including Lord Weatherill, the former Speaker of the Commons, are threatening to defeat the Government again today with an amendment to the Bill which would give BBC or ITV the right to highlights of national rugby or golf events, such as the Ryder Cup, bought up exclusively by BSkyB.

Lord Inglewood, the broadcasting minister, announced the policy shift in a written answer after a hastily announced consultation exercise which many saw as an attempt to

head off the Lords' rebellion. He said the concession followed government recognition of "the strength of public and parliamentary concern".

The move was welcomed by the BBC and ITV, although Labour's national heritage spokesman, Lord Donoughue, said he wanted to see more sports given protection, not just the eight listed events.

Sky was believed last night to be claiming victory, saying the Government's only concession had been over the "crown jewels", none of which it has broadcast or bid for in the past.

The issue of sports rights has been red-hot since Sky Sports began outbidding terrestrial channels for rights to screen sports events such as next season's Endsleigh League and Coca-Cola Cup matches. Other broadcasters said Sky was building a sports monopoly using funds they could not match.

It has been able to do so as a result of what some have portrayed as an oversight in the 1990 Broadcasting Bill, which prohibited listed events being shown exclusively on pay-per-view television but, crucially, did not also exclude satellite channels such as Sky.

Lord Inglewood also gave the government line on another amendment to the bill, due to be debated in the Lords tomorrow, to oblige sporting bodies to "unbundle" broadcasting rights. It would require sporting bodies to offer highlights of an event to another broadcaster if, say, a rival television station had bought exclusive live rights.

Today the Lords debate on the broadcasting bill is expected to consider another bone of contention: whether cable broadcasters should be legally obliged to carry BBC and ITV.

Zoologist appeals for new home for 'badger woman'

Desmond Morris, the zoologist, yesterday appealed for a new home for a naturalist facing eviction from her badger sanctuary, writes Ros Wynne-Jones. Mr Morris hopes someone can offer Eunice Overend somewhere to live and work.

A decade ago, Paul Lysley, an organic farmer in Castle Combe, Wiltshire, agreed to give Miss Overend, known to

television nature programmes as "the badger woman", a 15-acre pocket of land, including Miss Overend's 15 acres, to a former partner, Brenda Eppey, who ordered Miss Overend, 76, to leave the property.

Ms Eppey's solicitor, Owen Strickland, said the matter was one of planning permission for Miss Overend's caravan.

Sing if you're glad to be grey, says Saga Radio

MARIANNE MACDONALD
Media Correspondent

Saga Radio Top 5

1. The Way We Were
2. When I'm 64
3. As Time Goes By
4. Evergreen
5. Granny's Song

Saga, the company whose success is built squarely on the "grey pound", has fixed its sights on a lucrative new market - radio for the over-55s.

Its application for the new Yorkshire FM licence, like its other activities - which include holidays and direct-marketing insurance - displays its now customary commercial nous.

Saga is one of 13 groups competing to win the largest,

and potentially the most lucrative, radio licence outside London. It includes Sheffield, Leeds, and Hull, and covers more than 3 million adults.

While every other application for the eight-year licence -

to be awarded in the next four months - offers a well-rehearsed recipe of speech plus indie, dance, soul or easy-listening music, Saga pledges to target people either in, or approaching retirement.

The group has built its direct marketing insurance and publishing business by selling to the 18 million people in the UK over 50. Of those, the 1.3 million in the Yorkshire area spend an estimated £11bn a year.

Saga's research shows that commercial radio commands at

least 50 per cent of listening share in every age group - apart from those aged over 55, where the share dips to 30 per cent.

More than half of older people think the media does not treat them seriously, and 45 per cent listen to the radio "less often nowadays".

"In the radio industry it's a neglected market," says Tim Bull, strategic planning director for the Kent-based Saga Group. "One just has to look at the formats available to see they

aren't designed for an older audience."

Mr Bull said Saga would offer half speech and half music in its daytime schedule, together with an information-based approach, offering tips and leads on pursuing hobbies and pastimes - particularly gardening - and advice on personal finance and health.

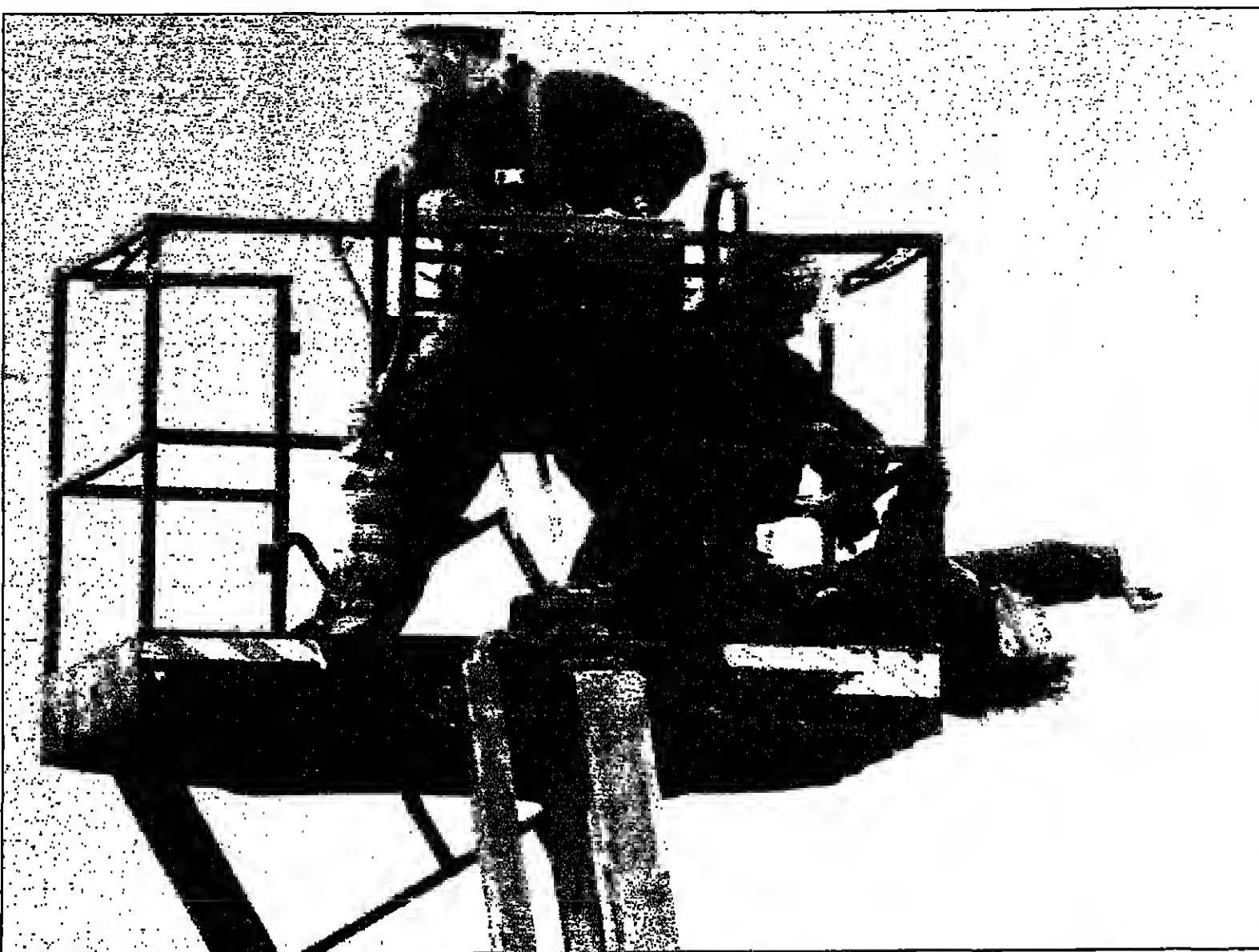
If awarded the licence, Saga aims to go into profit in the middle of its third year, then to make at least £750,000 a year. In 1984 the group relaunched

Saga Magazine, which is a subscription only product aimed at the same age group. It now has a circulation of 650,000, up 50 per cent in the last two years.

Another success story, serving the same age group, is *Years*, which has seen circulation rise every year since 1989.

Its editor, Neil Patrick, said: "I think the majority of other magazines are condescending towards people this age group. Our readers tell us what interests them and almost dictate what the content should be."

Battle of Newbury: Thirty arrests on third day of bitter clashes with bailiffs



Hanging around: A protester is brought down to earth by a bailiff at Newbury yesterday

Photograph: David Hartley

Bypass for first cuckoos of spring

CLARE GARNER

Thirty protesters were arrested and a security guard taken to hospital in a third day of eviction battles on the route of the Newbury bypass evictions yesterday, as it was announced that tree-felling would not be halted when the first cuckoos are born later this month.

Campaigners and police were locked in hand-to-hand fighting when mounted police and bailiffs with riot shields resumed their efforts to pluck the trespassers from their camps.

More than 100 protesters, in-

cluding pensioners and local residents, repeatedly sat in front of bulldozers and mechanical cranes as they made their way down a muddy slope, but several hundred police and security guards manoeuvred the machines into position at the base of the trees.

Some protesters complained of brutal police tactics, allegedly including bending thumbs and fingers backwards and applying pressure to sensitive points around the head.

A security guard in his early 20s was taken to hospital with a back injury after he was repeatedly kicked and punched as

he tried to surround a tree earmarked for felling. One protester crashed 15 feet to the ground after contractors chopped down a small tree while he was still in the branches. He was gashed across the forehead but refused to give up his place amongst his colleagues.

The protesters were angered by what they saw as the Highways Agency's disregard for nesting birds. It was previously thought that clearance work would be put on hold until cuckoos and other birds had built their nests and raised their young, but the Agency said it

was happy to carry on into April, provided none of the trees or bushes they cut down contain nests.

A Highways Agency spokesman said: "We have various wildlife patrols who check the whole of the habitat to check there is no wildlife in the area that shouldn't be there. As of 31 March, in addition to our regular patrols, we have been advised by English Nature that we should have experts in residence on call 24 hours a day, just to do literally an inch-by-inch search to make sure there are no nesting birds."

A spokesman for Friends of

the Earth said: "If they are felling trees around birds' nests that is bound to disturb the birds. Birds are very nervous when they are nesting and I can see eggs and young being abandoned as chainsaw gangs move in."

Now the protesters, who have been desperately trying to delay the work and make it extend into the "banned" period, are trying a last-ditch attempt to outwit the contractors. "We are going to plant nesting boxes in the trees. We are appealing to our feathered friends to get to Newbury as quickly as possible and get nesting."

The split emerged in a poll of Southampton's 80 doctors. The majority, who tended to be drawn from the more junior, inexperienced ranks, was firmly opposed, while a minority was in favour. However, as the minority comprised mainly of the hospital's most senior staff and included many consultants, the decision was taken to launch a test experiment.

On average, three or four patients a week at Southampton suffer cardiac arrest and undergo resuscitation. In two months' time, once staff have been trained to cope, patients' relatives and next of kin will be allowed to be present.

Dr Michael Mitchell, a consultant in the A&E department, favours the proposal. "There is a growing feeling among doctors that the grieving process of relatives would be helped if they witness resuscitation," he said yesterday.

With the success of *Casualty* and *ER*, "people are much more aware and more sophisticated as to what to expect", he said but warned that it was "still a very traumatic sight, no matter how often someone has seen it on TV", and said the main priority was that relatives' wishes must be obeyed.

Hope fades for missing girl as police find body

JASON BENNETTO
Crime Correspondent

The body of a girl - almost certainly that of Rosemary McCann, aged five, who went missing while sleeping in her bedroom - was found in a bag dumped in an alley yesterday.

The dead girl, who was wearing red pyjama bottoms similar to those worn by Rosemary, was

left in a narrow passage behind terraced houses in Oldham, Greater Manchester.

Police found the body about 350 yards from where Rosemary was last seen seven weeks ago. The area had already been examined during a mass hunt for the girl, but a fresh search uncovered the body yesterday morning at Little Bank Street in the Roundhorn area, about

a mile from Rosemary's home. Rosemary's mother, Josephine Mahon, 26, was said to be devastated last night.

The girl was last seen by her mother asleep in her bed at about midnight at their home in Kipling Road, Oldham, on 14 January. She disappeared from her bed, wearing only pyjamas, while her mother was at a neighbour's house. A babysitter

was in the house, but when Ms Mahon returned at 2am the babysitter was asleep and Rosemary had gone.

A 31-year-old man, Andrew Pountney, of Kew Road, Oldham, has appeared in court charged with Rosemary's abduction. Detective Superintendent Ronald Gaffey, of Greater Manchester Police, said: "We have a man in custody and ...

I will obviously be talking to him." Det Supt Gaffey admitted that the spot where the body was found had already been searched. "You must bear in mind we [searched] something like 40 square miles of Oldham originally," he said. "Today we made a more detailed search on the basis of our investigations so far and that led us here."

Home Office pathologist Dr

Bill Lawlor was carrying out a post mortem examination; the body will be formally identified later. Det Supt Gaffey said it was impossible to say how long the body had lain in the passage, or what the cause of death was until after the post mortem.

Hope of finding Rosemary alive deteriorated after weeks of intensive searching failed to find the girl.



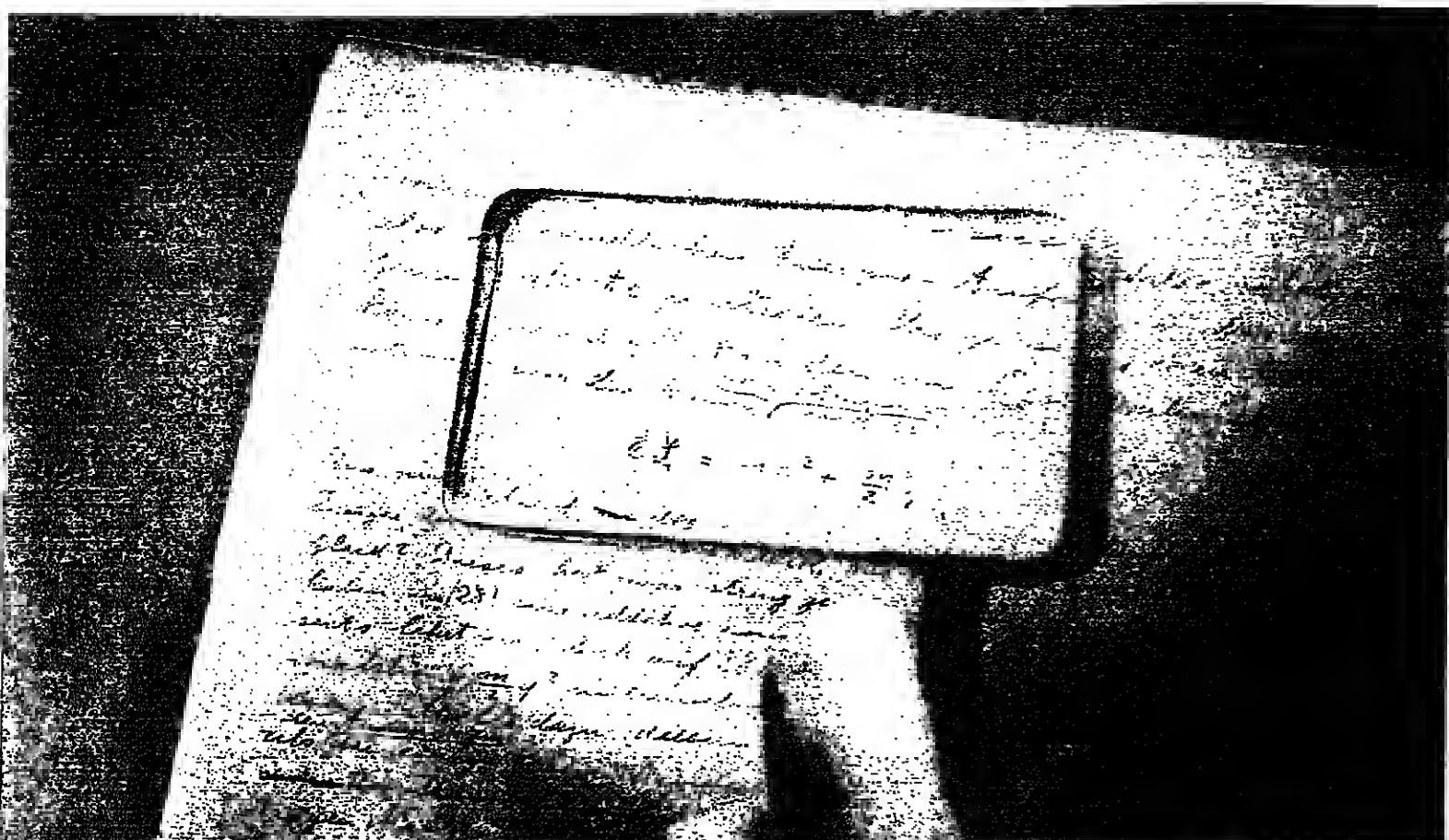
Rosemary McCann: Missing

The original daily

PAPERS +

RIZLA + The first and still the best.

news



Physical evidence: Einstein's famous equation, complete with crossing out, from the scientist's earliest surviving manuscript detailing his Theory of Relativity. It is expected to fetch between \$4m (£2.6m) and \$6m at Sotheby's in New York on 16 March. Photograph: Philip Meech

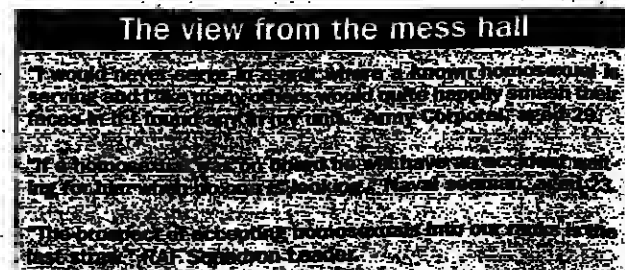
Soames pledges to defend forces' ban on gays

HEATHER MILLS
Home Affairs Correspondent

The controversial ban on gays in the armed services will be defended by the Government "every inch of the way" - even though it is likely to be forced to change its policy by the European Court of Human Rights.

Yesterday Nicholas Soames, the Armed Forces Minister, cited a survey of servicemen and women which found 80 per cent supported the existing ban, and claimed any change would harm operational effectiveness, could lead to breaches of trust at critical moments and a serious loss of morale.

A postal survey of 13,500 service people, and detailed ques-



The view from the mess hall

tionnaires completed by 1,710 military personnel, found that the vast majority did not regard homosexuality as "normal" or "natural" - some expressing extreme homophobic views. Four out of five males said the thought of sexual acts between two men revolted them and a similar number claimed homosexual cliques would damage unit cohesion.

But gay rights groups yesterday accused the Ministry of Defence of rigging the poll to maximise support for its exclusion of gays and lesbians, saying questions were loaded and those surveyed were forced to give their names. Some were obliged to fill in forms in front of senior officers who had already expressed their opposition.

Angela Mason, of the group Stonewall which is supporting the legal challenge to the ban, which - if it fails in the Lords - will appeal to the court in Strasbourg, said: "The climate created around the survey was such that it was difficult for people to express an honest opinion."

But she claimed that, more importantly, the evidence from countries such as Australia, Canada, France, the Netherlands and Israel, which did not operate or had lifted bans, was that there had been no impact on fighting power. "These conclusions seem to have been totally ignored in the report's main recommendations."

Four gay ex-service personnel - the former Lt Cdr Duncan Lustig-Prean, 36, ex-RAF Spt Graeme Grady, 32, ex-RAF nurse Jeanette Smith, 28, and the former navy weapons engineer John Beckett, 25, have so

far unsuccessfully fought to challenge the ban in the British courts and are waiting to take their case to the House of Lords. If they fail in their attempt, their claims of discrimination will go to the European courts. Lawyers have advised the Government that its policy could well be outlawed by human rights judges in Strasbourg.

Yesterday it emerged that the MoD is also likely to be found guilty of racial discrimination. A two-year investigation by the Commission for Racial Equality has apparently found that racism is often encountered within the Army. But while the CRE would not comment, the MoD, which has accepted the investigation's broad findings, insisted it was not "wide-spread". Figures for 1993/94 show that recruitment from the ethnic minorities totalled just 1.8 per cent in the Royal Navy, 1 per cent in the Army and 0.5 per cent in the RAF.

However, Mr Soames, armed with the 250-page review by the Homosexuality Policy Assessment Team - which is based largely on the survey of forces personnel - remained confident about policy. He said of the review: "We believe we would stand a very good chance in the European Court."

The report, set up late last year to review the gay ban after the legal challenges, concludes that "homosexuality remains in practice incompatible with service life if the Armed Services in their present form are to be maintained at their full... fighting power".

Another view, page 15

Leading article, page 15

OVER THE PAST 2 YEARS SHE'S EXPERIENCED DOMESTIC VIOLENCE

NATASHA WILLIAMS IS A SPECIAL CONSTABLE



WOULD YOU CARE TO HELP THE VOLUNTEER POLICE SERVICE?

Specials are volunteers who give up a few hours of their spare time every month to work alongside the regular local police. But being a Special isn't all about giving.

You'll gain a sense of achievement, an opportunity to stretch your abilities and to meet people from all walks of life. You'll also receive the training and back up to deal with situations ranging from crime prevention to assault and theft.

To be a Special you don't need qualifications on paper but you must be of good character, enjoy working in a team and have the ability to think on your feet. You don't have to be especially young either; you're eligible if you're aged between 18-55, male or female.

Whether you decide to work in the wider community as a Special, or more locally as a Neighbourhood Special Constable, what you'll have in common is a genuine concern for people and a desire to make a difference.

If you think you fit the bill, phone or fill in the coupon for information about training for the Special Constabulary.

PHONE 0345 272 272



NAME/TITLE

ADDRESS

POSTCODE

DATE OF BIRTH

IN/DE

PLEASE SEND THIS COUPON TO THE FOLLOWING ADDRESS: DEPT SC, FREEPOST CV1037, STRATFORD-UPON-AVON, WARWICKSHIRE, CV37 9BR.

Hurt or injured?

Have you had an accident in the last 3 years and was someone else at fault? Did you suffer pain or financial loss? Find out free about claiming compensation.

Freephone 0800 444240 (day and night)

National Accident Helpline

A UK network of accident solicitors

102-2 Chesham St, Northampton, NN1 1JX

Who else wants a FREE copy of this book on SELF-HYPNOSIS?

In one year, 106,537 people have already received it free of charge. It will cost you the price of a stamp and will show you:

- How you can feel strong and self-assured all the time
- How to control your emotions and your thoughts

Thousands of people now use Self-Hypnosis... who before would never have believed they were capable of it. Now, for the first time, you can learn in your home, in just 20 minutes a day, the Secret Techniques of Hypnosis and Self-Hypnosis. Having taught Hypnosis to doctors, Professor



Tepperwein, a world renowned expert in his field, now reveals all his secrets to you.

No need for any special gift: Explained simply, in everyday language, he teaches you how you can hypnotise yourself and control the powerful forces of your subconscious.

Here are some of the secrets revealed in his Method:

- How to release the natural reflexes of Self-Hypnosis
- How to control your emotions and dispel nervous tension
- How to use Self-Hypnosis to help you stop smoking
- How a simple idea implanted in your subconscious can enable you to sleep like a child
- How to feel younger and rediscover your energy and dynamism

How Self-Hypnosis can help you lose weight - without drugs or medication

How to stimulate your memory through Self-Hypnosis

The technique for ensuring great relationships, both emotionally and physically.

It's absolutely FREE

If these results interest you, if you are aged 18 or over, cut out the coupon below and post it today. We will send you, - FREE, with no obligation now or ever, "Information on the Secret Techniques of Hypnosis and Self-Hypnosis". Claim your copy today - entirely free of charge. Learn how to acquire the concentration and unbending willpower that can open the Doors to Success for YOU.

© 1994 Carnell plc, 28 Eccleston Square, London SW1V 1PL

To: Carnell plc, Dept STH6, Alresford, Colchester, Essex CO7 8AP or telephone our 24 hour order line on 01206 825600 (quoting reference STH6).

YES please send me my copy of "Information on the Secret Techniques of Hypnosis and Self-Hypnosis" - FREE, with no obligation now or ever.

Name (Mr/Ms/Ms)

Address

Postcode

Date of Birth

Delivery usually within 7 working days after receipt of order. We reserve the right to change the details of this offer without notice.

هكذا من الأمل

Warning shot fired at cowboy builders

JOJO MOYES

Cowboy builders, the scourge of householders across Britain, could become a thing of the past if the recommendations of a new report by the human rights and law reform group Justice are adopted.

It has issued *Protecting the Householder Against Defective Building Work*, which highlights the difficulties people experience when faced with shoddy building work and examines how they can win redress.

The report recommends big changes to law and practice, including the introduction of a compulsory insurance-backed warranty for building work, specialist court arbitration, voluntary registration schemes for builders and a "house handbook" detailing works done.

It says more than £12bn is spent every year on building work, with a further £1bn being

spent in the "black economy". More than 60 per cent of the "declared" work is done either by one man or small firms. There are no licensing and registration requirements for builders and one survey published last year found that only half those working even in reputable firms had a formal construction industry qualification.

Many people are attracted to small, local firms because of the informality, ease and avoidance of VAT. But there is no recourse if things go wrong. Subsequently, there are estimated to be as many as 3 million complaints against builders every year.

Lord Alexander of Weedon QC, chairman of Justice, said that over the past 25 years many attempts had been made to tackle the problem of cowboy builders, without success. "I hope this report will provide a catalyst for change which will

lessen a problem that troubles so many householders every year," he said.

The report's main recommendations include legislation requiring builders undertaking any reasonably large-scale work to register with a government-approved insurance scheme. It also wants county courts to provide arbitrators with experience of building disputes for cases involving amounts not exceeding £10,000, promotion of a system of voluntary registration for builders, and says that lenders should be encouraged to impose as a condition of a loan for improvements that the work be carried out by a registered builder.

The report was welcomed by the Consumers Association, which said that the complaints it received tended to be "really worrying". Ashley Holmes, the association's head of legal affairs, said: "It's a big problem

and defective building work can be quite devastating. It would need some legislation so we need Parliament to do something about it. I'm not sure there's the political will but there certainly should be."

He said some recommendations could be implemented immediately, such as the voluntary registration of builders and the adoption of a house handbook. "The most basic thing that wouldn't cost anything is preventative medicine. People should go out of their way to try and find good builders," Mr Holmes said.

"Go and get two or three quotes and ask for recommendations from other consumers, and then go out and look at the work they've done. A little leg-work can save a lot of trouble."

Protecting the Householder Against Defective Building Work; £4.50; Justice, 59 Carter Lane, London, EC4V 5AQ.



History lesson: A group of children and their teacher learn about life at York Minster during a school's week venture organised for 2,500 pupils from Church of England schools in the York diocese. Photograph: Asadour Guzelian

From dream home to house of heartbreak

Amanda Smith and her husband thought they had insured themselves against problems when they had their dream house built for their family, writes Jojo Moyes.

They knew their builder, who was well thought of in the local community and whose large company offered a brand-named warranty as well as being registered with many other warranty providers and builders' organisations.

The plans were drawn up for their four-bedroom detached house and the first few months of building appeared to go without a hitch.

"The first indication we had that all was not well, was when the double glazing would not fit. The builder had taken it onto himself to fit inferior window frames to those agreed, costing around half the price. He then claimed we had agreed," Mrs Smith said.

"They also did the same with the bricks. They said they couldn't get the bricks that we wanted and sold us some at a greater price. But we later found that the bricks we wanted had been available."

Soon, other serious faults came to light, including subsiding floors, unattached roof tiles, an overflowing sewage system and leaking doors and windows.

"The builder demanded full payment for the work, saying

that once it had been received he would take steps to rectify the faults and issue the warranty. We refused to pay and withheld £18,000 of the £98,000 until the house had been properly completed."

They called the warranty organisation, which said it could not get involved unless it had the builder's warranty number. He would not give it unless they paid him in full.

Five years of legal wrangling ensued, in which Mrs Smith said she became "sick with worry". The builder issued a writ for full payment and the warranty organisation agreed to conciliation. "Five times they gave him a notice period to carry out the work, which he did not comply with. After all this they stated they were unable to complete the work because the matter was *sub judice*."

The eventual cost of the remedial work was around £50,000, of which half was met by the Smiths (including the £18,000 they had withheld) and £25,000 from the warranty.

"I think the new recommendations would have helped. I also think it would be a good thing to make sure that any alterations to the specifications should be signed by the builder, owner and architect," said Mrs Smith.

(Names have been changed)

When you're away on business, get a great deal of pleasure



Hard work has its rewards. Especially if you end a busy day by checking in to one of 65 Forte Posthouse hotels around the country.

Because with our PointsCard scheme every £10 you spend during your stay gives you points towards free weekends and other special offers.

It's a great way of rewarding your family for you being away on business so often

To join our PointsCard scheme call us on 01276 675 005.

TO BOOK CALL US FREE ON

0800 40 40 40

OR CONTACT YOUR TRAVEL AGENT

RELAX AT A
FORTE POSTHOUSE
FROM

£59

FORTE
Posthouse

OVER 50 HOTELS AT £59 PER ROOM, PER NIGHT. PRIME LOCATIONS AT £69.

Renewing your home insurance in March or April?

If you're 50 or over, just see how much you can save with Saga - call us NOW!

You will know how expensive home insurance can be - thankfully, if you're aged 50 or over you can benefit from Saga Home Insurance - a superior household insurance that's only available to mature, responsible people like you.

Because of this, Saga Home Insurance can offer you genuine savings over other policies, while giving you cover that fully protects your home and possessions.

The Saga Price Promise

If you find another comparable policy at a lower price within 2 months of taking out Saga Home Insurance, we'll refund you the difference.

SAGA
Services Ltd

Saga Services Ltd, FREEPOST 721, Middleburg Square, Folkestone CT20 1AZ

Saga Services Ltd would like to send you information about services provided by other Saga companies and may pass details to these companies to enable them to do so.

And why not ask us about our competitive MOTOR INSURANCE



- Exclusively for people aged 50 or over.
- Cover is comprehensive and low cost.
- Save 30% off Worldwide flights.
- Free pen with your quotation.

Call us today!

For your free no obligation quote simply call us on the number below. We will be pleased to answer any questions you have on Saga Home Insurance.

0800 414 525
ext.2546

Lines open Monday to Friday 9am - 6pm, Saturdays 9am - 1pm

show-stopper

ients unaware
new remedies
for arthritis

DAILY POEM

VOLVO



THE NEW VOLVO 850 TURBO DIESEL. AN INCREDIBLE RATE OF NOTS.

Not slow: 0-60mph in 9.9 seconds. Not sluggish: delivers 140bhp. Not dull: capable of 125mph*. Not boring: 215lb/ft torque for swift overtaking. Not thirsty: 64mpg at a constant 56mph. Not smoky: lean burn catalytic converter. Not heavy handed: has all the classic Volvo 850 driving characteristics. Not beyond reach: prices start at \$21,975. Not your ordinary diesel. **THE NEW VOLVO 850 TDI. A CAR YOU CAN BELIEVE IN.**

CAR FEATURED-VOLVO 850 TDI SALOON £21,975 ON THE ROAD, EXCLUDING 6 MONTHS ROAD FUND LICENCE £77.00. FRONT FOG LIGHTS £125 AND BLACK PAINT £205. VOLVO 850 FROM £18,375 ON THE ROAD, EXCLUDING 6 MONTHS ROAD FUND LICENCE £77.00. ALL PRICES AND PRODUCT INFORMATION CORRECT AT TIME OF GOING TO PRESS. FOR FURTHER INFORMATION TELEPHONE 0800 111 850. *WHERE LEGALLY PERMISSIBLE

**DAILY
DIRECT**
2000

037 007 1541

politics

Labour told to seek more 'experts in life'

BARRIE CLEMENT
Labour Editor

The Parliamentary Labour Party is full of "luvvies", lawyers and economists who know little or nothing about life, according to the leader of one of Britain's largest unions.

The Amalgamated Engineering and Electrical Union is among the party's most loyal affiliates. But Davey Hall, recently elected president in succession to the right-winger Bill Jordan, has urged the Labour leadership to attract potential MPs who are more in touch with ordinary electors.

According to union sources, Mr Hall's remarks - at the AEEU women's conference in Eastbourne yesterday - were not only a reference to Tony Blair's arts world devotees like Lord Attenborough and Barbara Follett, but also to a record of potential MPs known as "Tony's List".

This is said to be a catalogue of prospective candidates who would be loyal to the Labour leader, but union officials say it has superseded "Emily's List" - a roll call of women being groomed and pushed to enter



Supporting cast: The writer Barbara Follett and the film director Lord Attenborough have lined up behind Tony Blair

parliament, Mr Hall told delegates: "It is crucial that our political representatives are in touch with the people that put them in parliament. Of course we need experts in economics and experts in law, but above all we need experts in life."

The speech was also targeted at Michael Wills, a former adviser to Gordon Brown, Labour's treasury spokesman. Also a friend of Peter Mandelson, MP for Hartlepool and Mr Blair's public relations guru, Mr Wills has since become a tele-

vision producer. More importantly for the union, he beat the shop steward Jim D'Avila, an AEEU candidate, to become parliamentary candidate for Swinden North amid claims of ballot irregularities.

Mr Hall is angry about the treatment of Mr D'Avila, who took legal action over alleged fraud in the selection. Labour's national executive voted against a new election and will choose the prospective MP from the five original candidates.

'You're a snake-oil salesman' jibe at Forsyth

PATRICIA WYNN DAVIES
Political Correspondent

An 11th-hour lifeline to Scottish local authorities was yesterday dismissed by MPs and councils as a panic U-turn that would fail to tackle underlying financial problems.

Michael Forsyth, Secretary of State for Scotland, also drew vitriolic criticism from a nationalist MP as he outlined the package at the Commons. Scottish 'Grand Committee' sitting in Kilmaronock, Strathclyde.

Mr Forsyth came forward with a rescue package 24 hours before Scotland's new unitary councils were due to meet to set their budgets and tax levels for the coming year. Authorities

had warned of massive council tax rises and spending cuts.

Mr Forsyth told MPs it would allow a Band D council tax cut of at least £84 in the planned level for Glasgow and a £35 reduction for Caithness.

But in the stormiest so far of the peripatetic Grand Committee sessions recently introduced by the Government, Andrew Welsh, SNP MP for East Angus, denounced Mr Forsyth as a "snake oil salesman telling his lies".

The outburst came after no nationalist MPs were called in the debate. When ordered to apologise by John Martin, the committee's Labour chairman, Mr Welsh declared: "You haven't seen fit to call me, so I can't express my opinion." Mr Martin suspended the session for five minutes when Mr Welsh refused to withdraw the remark or leave the meeting.

Under the Government's package, councils will be allowed to switch £58m from capital budgets to revenue spending for priority areas such as education. They will also get a £38m package specifically designed to lessen council tax increases after warnings of rises averaging 15 per cent.

Mr Forsyth said: "I am sympathetic to the argument which was put to us by many of the

councils concerned that they needed time to bring their spending levels into line with their grant-aided expenditure assessments." The effect would be that council tax payers in the areas concerned would be protected from the turbulence created by boundary changes, "but not from the spending decisions taken by the new councils themselves".

Scornful Labour MPs were quick to spotlight earlier government suggestions that no new money was to be made available. George Robertson, the shadow Scottish secretary, said: "This is not so much a U-turn as a somersault. This is a victory for the people of Scotland, but only a partial one."

In a counter-attack, Mr Forsyth mocked Labour's support of council pleas for an extra £395m without saying where the money would come from. Councils reacted coolly, with Rosemary McKenna, president of the Convention of Scottish Local Authorities, saying: "This is a panic measure."

She added: "We have been saying for six months that there is a serious problem. This will do nothing to protect services, and councils will still have a serious problem about the level of services, and there will still be cuts."

Chancellor paints a rosy picture of the economy

- Clarke's lifeline for Middle England
- Brown reminds House of bleak times

Two rather different pictures of the British economy were painted in the Commons yesterday. An ebullient Kenneth Clarke predicted 1996 would be the year when Middle England at last felt the benefits of the recovery while his Labour shadow, Gordon Brown, dwelt on new evidence of widespread job insecurity.

Ministers increasingly see the economy as the Conservatives' best electoral asset. The debate was scheduled by the Government in order to highlight the improved prospects and to embarrass the Labour Party over its apparent lack of an alternative strategy.

But though the Chancellor said he was able to paint a "rosy picture" because that was what he expected, the exercise was blunted by Tory Euro-sceptics, abetted by the Opposition, who were miffed by Mr Clarke's latest expression of sympathy for a single currency.

Mr Brown also exposed a degree of amnesia in both the Chancellor and Ian Lang, President of the Board of Trade, over their own words and deeds. Mr Clarke could not name the "better programmes" he claimed would replace the Community Action Programme, set up to help 30,000 long-term jobless and to be axed at the end of this month.

And Mr Lang seemingly could not remember what he had actually said about job insecurity being only in the mind. Challenged by Mr Brown to apologise for the remark, Mr Lang claimed he had not said it, but when asked for the correct quote he stayed mum.

Malcolm Bruce, for the Liberal Democrats, said he believed Mr Clarke was using the debate to trail an interest rate cut. But he warned: "If interest rates are cut later this week it will not be because of the strength of the economy but because of its weakness." Government borrowing was "out of control", he said. "The Chancellor's good intentions only go so far and when the chips are down he runs into the buffers of political opportunism."

Opening the debate, Mr Clarke maintained that the "clear red water" between Labour and modern enterprise economics was as wide as ever. "They would tax and they would spend and they would let inflation rise. In the 1990s there is still no alternative to the enterprise economy we are creating. We haven't created our present prospects in order to hand them over to yesterday's Wilsonian men."

The economy was facing the most favourable circumstances any MP could remember, Mr Clarke said. Conditions for firms to invest had "rarely been better" and because inflation was under control he had been

Inside
Parliament
Stephen
Goodwin

able to reduce interest rates to historically low levels.

He predicted that 1996 would be the year when the ordinary citizen would begin to feel the real benefit of economic recovery. "Now Middle England will begin to see in 1996 that our promise of greater prosperity and more jobs without a return to boom and bust is beginning to be delivered."

With mortgage rates at their lowest level for nearly 30 years and house prices, in relation to incomes, at their lowest level for over a decade, there would be "bargains for first time buyers".

Increased consumer spending would be the main source of growth in the economy. His only departures from what Labour's Denis MacShane called a "fantasy" were over the European single currency, unwillingly, and a passing nod to job insecurity.

Mr Brown said the best barometer of the feel-good factor was the decision of 52 Tory MPs to retire at the next election and the attempt by 13 others to quit their marginal seats for a "not yet" marginal seat.



Have a shot at winning a trip to the 1996 Olympic Games with Visa.
Apply for a NatWest Visa card.

The atmosphere's electric, the crowd goes wild, it's a new world record. And you could be right there in the heart of it to witness sports history in the making, if you win our fantastic competition.

All you have to do to enter, is apply for a NatWest Visa card straight away, correctly answer five questions and complete the tie-breaker.

The winner will enjoy a fabulous all-expenses-paid five day trip for two to the

Olympic Games, plus \$500 spending money.

Twenty runners-up will each receive a super Kodak Cameo camera.

Call 0800 616 848

MONDAY to FRIDAY 8.00am to 8.00pm
WEEKENDS 9.00am to 4.00pm

Closing date for entries is 30 April 1996, so get off the starting blocks. To obtain your NatWest Visa card application form, either call 0800 616 848, send off the coupon or pop into your nearest NatWest branch.

Please complete and return to: National Westminster Bank Plc, Visa Olympic Competition, Credit Cards, FREEPOST, 4 Eastcheap, London EC3N 3L

Mr/Mrs/Miss/Ms	Initials
Surname	
Address	
Postcode	



NatWest
More than just a bank



Closing date for entries 30 April 1996

Credit Cards are only available to persons aged 18 or over and subject to status and conditions. NatWest Visa APR 22.4% for purchases and 25.3% for cash advances (subject to cash handling fees, including the purchase of foreign currency and travellers' cheques). The annual fee is £12. If the Principal Cardholder maintains both NatWest Access and Visa accounts one annual fee is chargeable and such fee may be charged to either account. The APR for the account without the annual fee will be 21.9% for purchases and 23.8% for cash advances (subject to a cash handling fee, including the purchase of foreign currency and travellers' cheques). If the outstanding balance on your monthly statement is less than £5, you must pay it off by the due date shown on your statement. If your outstanding balance is more than £5, you must pay £5 or 3% of the outstanding balance, whichever is the greater. A cash handling fee of 1.5% (minimum charge of £1.50), is payable on each cash advance and the purchase of foreign currency and travellers' cheques. An administration levy of 2.75% of the transaction amount is payable on each foreign currency transaction. The interest rate, the annual fee and cash handling fee may vary.

HOUSE INSURANCE

SAVE UP TO 50% OF
e.g. LONDON & HOME COUNTIES
£100,000 Buildings Sum Insured
Premium Only £154.00

LOWER Premiums in most Other Areas

Tel: 0181 546 1102 NOW!
Or phone your nearest branch at the local rate on:
0345 123111

Hill House Hammond
Cutting The Cost Of Your Insurance

Israel bomb attacks: Twenty feared dead as Hamas claims responsibility for latest outrage to hit Middle East negotiations

Tel Aviv blast has peace on the ropes

RUPERT CORNWELL
Washington
and agencies

A suicide bomber killed up to 20 people and wounded 78, including children, outside a crowded Tel Aviv shopping mall yesterday, putting the continued existence of the Middle East peace process in question.

The bombings are designed to wreck Arab-Israeli peace-making and could rob Israeli Prime Minister Shimon Peres of victory in the early elections he has called for May 29.

The Islamic group Hamas claimed responsibility for the blast, the second in two days. Israeli television and radio quoted police as saying up to 20 people had died, on Sunday, a Hamas suicide bomber killed 18 people on a bus in Jerusalem.

"It is a suicide bomber who crossed the street on the corner of Dizengoff and King George (streets) in a crowd of people and cars and blew himself up," said Tel Aviv's police chief, Gabi Lask.

Ronnie Milo, mayor of Tel Aviv, said the bomber planned to enter the shopping mall which was full of children in costume for a Jewish holiday. "The bomber apparently was on his way into the shopping centre where they were dozens of kids celebrating Purim," Mr Milo said.

"He apparently saw the policeman at the entrance to the centre and decided to blow himself up on the street. We saw his head several metres away," he said. The bomber had explosives strapped to his body.

An unidentified caller to Israel Radio's Arabic service said Hamas was responsible. "An anonymous caller speaking in Arabic claimed he was talking in the name of the Hamas movement and said that Salah Abdel-Rahim Ishag, 24, from Ramallah, carried out the attack," the report said.

Palestinian President Yasser Arafat was quoted by his spokesman as calling the blast "a declaration of war." The

peace process is in danger," Mr Arafat's spokesman Marwan Kanafani said.

Mr Arafat told reporters at his headquarters: "We will co-operate with the Israeli government to confront these dangerous criminal acts that target the Palestinian people and the Israeli people and the peace process."

Mr Peres's government has urged Mr Arafat repeatedly to get tough with Islamic militants of the Hamas group, who have claimed responsibility for the most of the attacks which have killed more than 200 Israelis since September 1993.

Mr Arafat, who later met with top security chiefs in emergency session, told reporters that "this is the time for action at all levels and not a time for words". He said his security forces had been in a "state of emergency" since Sunday.

But the immediate impact of the new bomb seemed to be to deal the fragile peace process another heavy blow.

Last night, Mr Peres's office said that Israel had ordered home its delegation to peace talks with Syria in the United States. "We are sending the delegation home following the latest attack," said an official.

The Israeli-Syrian talks had been suspended until Wednesday following Sunday's bombing. Syria, stopping short of outright condemnation of the attack, said yesterday that Israel could never achieve security or stability if it did not work to achieve what Damascus called real and just peace with the Arabs.

Warren Christopher, the US Secretary of State, yesterday cut short a visit to the Caribbean to chair an emergency session of President Bill Clinton's top national security advisers on the crisis in Israel, convened even before the new bombing in Tel Aviv.

The latest attack, condemned by President Clinton as "a senseless act of violence against innocent people", has stunned



Tears for peace: Friends mourn Gidway Taspace, an Ethiopian killed in Sunday's blast

Photograph: Jerome Delave

and dismayed the administration, leaving it few options to prevent the complete unravelling of a Middle East peace process in which Washington has invested considerable time, diplomatic energy and prestige.

Speaking during a campaign trip to Michigan, Mr Clinton urged Israelis to "fight for peace" and reject the "division

and conflict" which were the goals of extremists on all sides. Jewish and Arab alike. But those exhortations will be hard to translate into reality - as shown by the jeers that rained upon the head of Martin Indyk, the US Ambassador to Israel, as he visited the scene of the bombing yesterday.

In practice there seems little the US can do. According to a

White House spokesman, the meeting of Mr Christopher, the Defense Secretary William Perry, the CIA director John Deutch, and Anthony Lake, Mr Clinton's national security adviser, would examine "ways of assisting the Israelis". That, presumably, includes the use of US intelligence to help track down members of Hamas and other Palestinian terrorists.

Beyond that, Washington will do what it can to exert pressure on the Arab states in the region to give no succour or shelter to the terrorist groups, who some experts believe may be based not in the PLO-administered Gaza strip or West Bank, but outside Israel altogether, perhaps in Jordan or Lebanon - in the latter case with the tacit consent of Syria.

international

Exiles shed no tears over slaughter

ROBERT FISK
Beirut

Just over a week ago, in a Beirut hospital, a 74-year-old Palestinian woman, driven from her home in Acre in the 1948 Arab-Israeli war, lay dying. Her daughter came to see her.

"Have you heard the news?" she asked her mother who had only three days to live. "There have been two suicide bombings in Israel. There are more than 20 dead." The woman stared at her daughter. "Prop me up in bed," she said. "I want to hear more." Thus did a dying woman recover a spark of life from the news of savage death.

Among the Palestinian diaspora there was precious little sympathy for the passengers on the Jerusalem buses and the shoppers in Tel Aviv.

Every Middle East atrocity produces outrage and amnesia, and the ferocious suicide-bombings in Israel have produced the usual mixture of fury and loss of historical memory, both short and long-term, as the "peace process" crumbles away.

If Israelis have only just woken up to the probability of collapse, the same cannot be said of millions of Arabs who - despite the support for the Oslo accord of their pro-Western governments - long ago abandoned hope of a just peace. How could the dying woman demonstrate such satisfaction at the terrible news from Jerusalem?

For survivors of the 1948 exodus and their descendants, the suffering of the Palestinian diaspora at the hands of the Israelis long ago neutered compassion for Israel. On the walls of the Sabra and Chatila camps, at Mar Elias in Beirut and at Ein el-Helwe in Sidon, the most familiar face is that of Yahya Ayyash, the Hamas bomb-maker, the "Engineer" assassinated by Israeli intelligence agents on 5 January. As usual, the Islamists have turned the Israeli policy of an eye for an eye on its head, claiming at least 60 lives for the life of a single man.

Hamas cuts little ice in Lebanon. Its members here have nothing to offer the 400,000 Palestinian refugees who have been cut out of Yasser Arafat's deal. But in the camps yesterday there was no shortage of young men to give history lessons. "Hamas and the

Israelis had a ceasefire that lasted seven months and then Israel broke the ceasefire by murdering Ayyash," one said.

"So Hamas takes its revenge and the Israelis expect us to burst into tears for them."

Less angry voices asked why the world had forgotten that Israel had helped to create Hamas as an Islamic "balance" to Mr Arafat's influence, when the PLO were supposed to be the arch-terrorists of the Middle East.

It is a fact that several Hamas men deported to southern Lebanon by Yitzhak Rabin in 1992 personally met Shimon Peres. And it is also true that Israel was last week threatening to repeat its old "balancing" act, as Ehud Barak, the Foreign Minister, announced that Israel might reopen talks with Hamas, if Arafat did not "deal" with the group. "We told you the 'peace process' would not work from the day the PLO signed the accord with Israel," a Palestinian Marxist remarked. "But it needed the Israelis to start saying so before you believed it. Now, in the middle of this 'peace', Hamas have declared war and pushed the Israelis into declaring 'all-out war'. That's what Begin declared on Arafat in 1982. That's what Rabin declared on the Hizbollah in 1993. They both failed. And now Peres will fail."

The non-Islamic Palestinian militants here are drawing even grimmer conclusions. Hamas, they suspect, has reunited, following disputes between its politburo and its armed members, and has decided to discredit Mr Arafat and start a civil war in the West Bank between Palestinians and the Jewish settlers.

"It was not by chance that they bombed the bus route used by the settlers," a member of the Democratic Front said. "They are going for the right-wing Israelis, the settlers, provoking an attack from them, maybe another Hebron [mosque massacre]."

Palestinian leaders in Beirut and Damascus realise Hamas is now going all-out to destroy the Oslo accord. Despite their contempt for the peace agreement, they do not like what they see. "We do not want an Islamic Palestine any more than Arafat," an angry veteran of the 1982 war said last night.

Chief heads for trouble over wrong royal skull

ROBERT BLOCK
Johannesburg

Chief Nicholas Tlana Gcaleka, perhaps the most publicised headhunter of all time, is in big headhunter trouble.

Less than one week after his triumphant return to South Africa from Scotland with what he claimed was the 161-year-old skull of King Hintsa - the Xhosa ruler killed by British-led forces in 1835 - Chief Gcaleka has been accused of being a fake and liar by tribal elders.

The chief responded yesterday by calling on President Nelson Mandela and the Anglican Archbishop, Desmond Tutu, to come to his aid.

The controversy over Chief Gcaleka's find in Inverness last week reached fever pitch when the present Xhosa king, Xolilizwe Sigauke, and his court refused to sanction the planned burial of the skull because they said it was not the disembodied head of Hintsa. The king said

that Chief Gcaleka's skull displayed a bullet hole above the right ear and was intact, whereas the historical record indicated Hintsa was shot at point-blank range behind the left ear and his head was shattered.

The king called on South Africans not to be fooled by Chief Gcaleka. Adding insult to injury, the king then said that Chief Gcaleka had acted without proper authority and was not even a member of Hintsa's clan and therefore had no business getting involved. Chief Gcaleka says that he is the great-great nephew of Hintsa and was called on by the spirits of his ancestors to go to Scotland to find Hintsa's head.

There is no historical evidence that Hintsa was decapitated, although his body was mutilated; his ears were supposedly cut off and some teeth pried out by British soldiers in the Sixth Frontier war.

Until now the chief has refused to allow a forensic ex-

amination of the skull on the grounds that the ancestors "could be angry" at such undignified treatment of the king's remains. He said at the weekend he still planned to bury the skull on 12 May - the 161st anniversary of the king's murder - at a grave site beside the Ngqabara river, where Hintsa died.

But Chief Gcaleka's call for help yesterday to President Mandela - who has lent his moral support to the chief's mission - and Archbishop Tutu was viewed by many Xhosa experts as an act of desperation.

Jimmy Matyu, a Xhosa journalist in the eastern Cape, said before the chief left that he was playing with a highly emotive issue which could backfire if he found anything but the legitimate head of Hintsa. "If he doesn't bring back the real thing or tries to fool people, they will be crying for Gcaleka's head instead," Mr Matyu said.

The trial of the former defence minister General Magnus



Chief Gcaleka: Claims Scots' skull is king's lost remains

Malan and 19 co-defendants for 13 apartheid-era murders was postponed for a week yesterday in order to give the defence time to study amended charges.

The delay was welcomed by General Malan. "We've got a good case, we've got a good judge. That's why I'm smiling, my conscience is clear."

The indictment says General Malan and the other former senior officers accused were involved in a covert operation to turn the Inkatha Zulu movement against the African National Congress. The operation is alleged to have led to the massacre of 13 people in 1987.

Orthodox patriarchs pray for end to schism

PHIL REEVES
Moscow

After days of slugging it out heard-to-beard, the two heavyweight patriarchs of Eastern Orthodox appear to be simmering down after one of the church's most serious disputes since the Middle Ages. There is even talk of a reconciliation.

More than a week after news of the furor first began to reverberate around the onion domes of Europe and Russia, the Patriarch of Moscow, Alexy II, yesterday indicated that negotiations were under way to avert an irreversible schism.

At issue is a decision by his counterpart, Bartholomew I, Patriarch of Constantinople, to accept into the fold the Estonian church, which recently broke free from Moscow after a period of subordination which began when Stalin annexed the Baltic republic in 1940.

The Patriarchate of Moscow promptly suspended relations

with Constantinople - historically the mother church - and launched a distinctly unclerical verbal assault, accusing it of "shattering age-old Orthodox unity" by supporting Estonia's "nationalist dissenters". Constantinople replied that Moscow was "hurting threats".

Yesterday, Alexy II's spokesman (who glories in the title of Metropolitan Kirill of Smolensk and Kaliningrad) reiterated his complaints against the rival prelate. But the spokesman also said efforts were under way towards a reconciliation.

"We realise how dangerous this situation is. We do not want a schism in Orthodoxy," he said. "We can only work and pray for the situation to change radically for the better to prevent a final break in relations." This will not be easy, given the competing aspirations of the two patriarchs for leadership of the world's 250m-300m Eastern Orthodox Christians.

The squabble arose from a split within Estonia, which, in effect, now has two Orthodox Churches. One is Estonian, the legacy of a church-in-exile whose clerics fled to Sweden when the Soviets arrived. It wants to be in the jurisdiction of Istanbul. The other is Russian-dominated, and wants to shelter beneath the protective wing of Moscow.

This division has been deepened by a strong suspicion among Estonian believers that their Russian counterparts are more interested in retaining a political foothold in the country than in matters ecclesiastical. Rumours abound that the Russian wing of the church includes infiltrators from the security services - a claim that the Moscow-backed faction denies.

But Russians both in Estonia and in Moscow argue that it is yet another example of the anti-Russian discrimination that has taken root across much of the former Soviet Union.

Iraq set for oil deal with UN

Ankara (AP) - Iraq may reach a decision on a United Nations plan for it to sell oil in exchange for humanitarian aid during talks next week, the Iraqi oil minister said yesterday.

"We are thinking very positively this time. Negotiations are seriously under way. We hope to come to a final decision in the next talks with the UN on 11 March," Amir Mohammed Rasheed said. In the southern Turkish town of Ceyhan.

Mr Rasheed visited the Turkish oil terminal at the Mediterranean town of Yumurtalik, near Ceyhan, after crossing the border at Habur yesterday.

The visit is in connection with the possible reopening of an oil pipeline that has been closed under UN sanctions since the invasion of Kuwait in 1990. Iraq has rejected previous UN attempts to allow Iraq to make limited oil sales.

"We are here for the reopening of the pipeline," Mr Rasheed said. It was apparently the first time that an Iraqi official had travelled across northern Iraq since the end of the Gulf war.

Iraqi Kurds have established a *de facto* state in the northern part of the country under the protection of a US-led allied air force based in Turkey. Under UN sanctions, air travel between Baghdad and Ankara is banned.

The state-run pipeline company, Botas, said the Turkish part of the pipeline could be operational in a month, once the UN and Iraq came to an agreement. It was not clear how much work is needed on the Iraqi half of the pipeline. Mr Botas said the oil flushing could be completed in 80-90 days.

Under the UN plan, the oil would be used in Turkey's domestic refining network. In exchange for oil, Turkey would send humanitarian goods to Iraq. A portion of the funds generated through the plan would go to a UN fund, to pay for war reparations.

Peking panics as Chinese workers get the union habit

TERESA POOLE
Peking

For three days last summer, private stallholders in the Hongqiao consumer-goods market in central Peking behaved quite out of character for Chinese entrepreneurs: they refused to sell customers any goods. It was their way of protesting about high local-government taxes and the fees charged by the owner of the building.

The next month, outside the five-star Palace Hotel, 40 drivers staged a sit-in after blocking the hotel entrance with a coach decorated with a large banner. "We protest against the Palace Hotel's unjustifiable sacking of employees," it read. In December, 1,000 elderly workers in the central city of Wuhan

staged a sit-in during the morning rush hour, sparked by a sudden rise in the entrance price at their favourite Zhongshan Park. Inflation was eroding their pensions, they complained.

Such are the varied ways in which China's increasingly emboldened workers and pensioners are airing their grievances. The complaints are well-worn: unfair taxes, overdue wages, bad working conditions, sackings. But what has changed is a new assertiveness that is being seen across the board.

Jean-Victor Guat, former director of the International Labour Organisation office in Peking, said: "The Chinese situation in industrial relations is becoming closer to normal. So what some could see as a degradation, others may see as the

road towards normality." But this terrifies the government. According to an internal circular, there were more than 12,000 protests and petitions by labourers, farmers and miners in the first 10 months of 1995. When the Chinese "parliament", the National People's Congress (NPC), opens today, social stability will again be a national priority. The Prime Minister, Li Peng, will stress the government's commitment to improve conditions and welfare for those who feel they are falling behind in China's economic transformation. But there remains no flexibility for those who want to take their grievances into their own hands.

In January, eight taxi drivers in the southern boom city of Zhuhai were sentenced to up to two years of "re-education through labour" for instigating a strike by 300 drivers protesting against unfair treatment by the traffic police. The strike was judged to have "seriously disturbed social security and road-traffic management order".

The only acceptable mouthpiece is the closely controlled All China Federation of Trade Unions (ACFTU). Independent labour organisations remain illegal. When the NPC met two years ago, the newly formed League for the Protection of the Rights of Working People petitioned for an improvement in labour rights, including the right to strike and to set up independent unions. All its main protagonists were detained.

But this intolerance has

failed to stifle the growing willingness of people to make a stand. Nor can the authorities always employ a heavy-handed approach, particularly when old people are involved. Three months ago, 40 elderly petitioners gathered outside the Zhongnanhai leadership compound in Peking, protesting about their homes being cleared for redevelopment. There were no reported arrests.

Unrest in loss-making state enterprises is the most alarming prospect for Peking. Last month, Mr Li explained why large-scale bankruptcies and lay-offs were unstable. "If China were to use such capitalist methods, it would shake its responsibility to the people, and it would trigger social unrest." North-east China has seen

some of the biggest strikes because of the many big, loss-making heavy industries. Reliable statistics are hard to come by, but even a survey by ACFU found a one-third increase in stoppages, petitions, sit-ins and other protests in state-owned enterprises in 1994.

At the beginning of last year, the government launched a wide-ranging new labour law but so far almost all the successful disputes highlighted in the Chinese media have been those involving foreign firms. In a now-infamous case at the Zhuhai Ruijin Electronics Company in Guangdong, 120 employees complained when the South Korean manager told them to kneel because they had not filed out for their rest-break in an orderly way. Twelve

refused and were dismissed. Last year the Zhuhai Labour Supervisory Committee ordered the manager to apologise.

Success is not so easy if one is taking on government officials. At Hongqiao, a stallholder selling stationery said: "I can hardly make any profit with these high taxes and fees." He recalled the strike. "All the business people here came to their places, sat and refused to sell goods. Some tried to get back their deposits and leave here but the officials from the Tax Bureau refused and threatened to confiscate our goods. In the end, the government succeeded in persuading some businessmen who own larger places to go on trading. So the strike collapsed and we have to remain here to survive."

international

Italy's UN proposals upset Britain

DAVID USBORNE
New York

Italy has enraged Britain and France by suggesting that they should envisage surrendering their permanent seats in the United Nations Security Council in favour of a single seat for the European Union.

The proposal for the eventual elimination of the British and French seats was floated last week by the Italian ambassador to the UN, Francesco Fulci, as part of a continuing debate within the organisation about the expansion of the Council to include new members.

Italy has for months been attempting to block a widely backed plan to grant two new permanent seats, in addition to the five already existing, to Germany and Japan. Among supporters of that option are the United States, France and Britain.

The manoeuvring by Italy threatens to trigger a diplomatic fracas within the EU, which would be made all the more embarrassing by virtue of Italy's current occupancy of the EU's rotating six-month presidency.

"Everyone is within their rights to express their own views but Italy must recognise

the fact that it is treading on very sensitive ground where at least three of its European partners are concerned," one British source noted. "They must know that this is a very unfriendly act indeed."

The suspicion of other EU diplomats is that Italy's prime concern is to prevent Germany from gaining a permanent seat. "What they are saying about a single European seat is motivated primarily by an anti-German move. They want to prevent German membership," one remarked.

Mr Fulci made plain his views during a lunch with journalists

last week. "My target is only one seat inside the [Security] Council with the whole EU talking through it," he said. "If we are going to be serious about creating a federal state we should speak with one voice in the Council."

Last Friday the ambassador repeated his position at a closed meeting of the UN committee that is studying reform of the Council. "Italy hopes that both at the UN and in other contexts, the European Union can sooner or later speak with a single voice, including that of the current permanent members," he said. He went on: "Granting

permanent seats only to Germany and Japan, 'the quick fix' — as some suggest — is unacceptable since it would further increase the already preponderant weight of rich and industrialised countries in the Council, and thus in the whole United Nations system."

The issue of a single European seat in New York first surfaced several years ago, but Britain and France had thought it buried by the 1992 Maastricht treaty which says only that the existing permanent members of the Council should "ensure the defence of the positions and the interest of the Union, without

prejudice to their responsibilities". It makes no mention of a unified Council seat, even over the long term.

Stephen Gomersall, Britain's deputy ambassador in New York, insisted: "We do not envisage any change in the status of the existing members of the Security Council." He said that those members were committed to finding a "common European view where possible, but not at the expense of essential national interests."

A spokesman for France also referred to the Maastricht treaty. "He [Ambassador Fulci] can express a personal view,

but at this time we would regard it as wishful thinking," he said.

Proposals for the inclusion of Germany and Japan as permanent members also envisage three more non-permanent seats to be filled by rotation, bringing the total membership of the Council to 23, compared with 15 today. Italy wants no new permanent members but proposes retaining the existing 10 non-permanent slots and adding an additional tier of 10 new non-permanent seats to be filled also by rotation from a list of prominent regional powers. That would create a Council of 25 members.

IN BRIEF

Britain 'surprised' at Falklands row

London — The Foreign Office played down reports of increased tension with Argentina over fishing rights around the Falklands after a Royal Navy warship was sent to patrol the area for unlicensed trawlers. "We're rather surprised about the way it's being built up into a big confrontation," a spokesman said.

Argentina's foreign minister, Guido Di Tella, said on Sunday it would be inappropriate for President Carlos Menem to go ahead with a proposed visit to Britain this year unless the fishing dispute was resolved. Argentine reports said British ships patrolling off South Georgia had forced an Argentine fishing boat to pay \$110,000 for a fishing licence. *Reuters*

Hepburn scare

New York — Katherine Hepburn has been seriously ill with pneumonia and at one point had not been expected to live. The *New York Daily News* reported the 88-year-old actress had now been discharged from hospital and was resting comfortably at her Connecticut home. *Reuters*

School siege arrest

Marseille — Police said they overpowered a drug addict armed with a shotgun who took children hostage at a nursery school. The man, 29, said to be an AIDS patient, was detained after holding the children and four adults including a teacher and a caretaker. *Reuters*

Howard's way

Sydney — Australia's conservative prime minister-elect, John Howard, promised sweeping economic and labour reforms, humble government and a continued push into Asia at his first news conference since his landslide election win on Saturday. Financial markets surged as investors wagered on tighter fiscal policy and aggressive market reforms. *Reuters*

Benin poll battle

Cotonou — The former Marxist military leader Mathieu Kérékou took an early lead in Benin's second multi-party presidential poll, comfortably ahead of President Nicéphore Soglo, bidding for a second five-year term. *Reuters*

Denktash 'stable'

Ankara — The Turkish Cypriot leader Raif Denktash arrived on a flight for medical tests after suffering a heart attack on Sunday night. He was reported to be in stable condition at the İbni Sina hospital. *AP*

Pensioner power

Brussels — The number of Europeans over 60 will jump by almost half by 2025, the European Commission reported. Overall population figures are expected to stay stable and could fall slightly if the number of migrant workers is "moderated" and recent fertility rates continue. *Reuters*

Communist to stand

Moscow — The Russian Communist Party leader, Gennady Zyuganov, was officially registered for the 16 June election battle against President Boris Yeltsin. Mr Zyuganov, who leads in opinion polls, presented a petition of 1.7 million signatures supporting his candidacy — 700,000 more than required by law. *Reuters*

Uganda clashes

Kampala — The Ugandan army said that 88 people were killed in a battle with rebels last week and a new military offensive was under way in the north of the country. *Reuters*

Car seizure legal

Washington — The Supreme Court ruled against a woman who protested when authorities seized a car owned by her and her husband after he had sex in it with a prostitute. She argued that the confiscation under a Michigan nuisance law was an unconstitutional taking of her property. *Reuters*

Shear joy for Scots

Wellington — New Zealand's top sheep shearers were defeated by two Scotsmen who stole the world team title for the first time. Sheep outnumber humans by about 15 to one in New Zealand, host nation to the Golden Shears championships. Tom Wilson and George Bayne won the crown when the New Zealand team was disqualified for accidentally cutting their sheep. *Reuters*

AA

JOIN NOW FROM

JUST £36

To join, call free now on

0500 444 999

and ask for member 000

Immediate access available

Rifkind will push for EU veto to stay

ANDREW MARSHALL

Malcolm Rifkind, Secretary of State for Foreign Affairs, will today unveil details of how Britain wants Europe to deal with the rest of the world, giving the first indications of the stance that Britain will take when the EU rewrites the Maastricht treaty.

Speaking to the French International Relations Institute, IIRI, in Paris, Mr Rifkind will make what the Foreign Office is billing as a major foreign-policy speech. He will lay out Britain's approach to the Common Foreign and Security Policy, an initiative introduced in the Maastricht treaty whereby the EU tries to co-ordinate and combine the foreign policies of member states.

The 15 EU states will meet in Turin later this month to begin the Inter-Governmental Conference, a series of meetings that will rewrite the Maastricht treaty. The Government is preparing a White Paper on its own approach, to be published next week. Mr Rifkind's speech will spell out some of its contents, and underline Britain's general approach that foreign policy should remain a matter for individual sovereign states, and that states should retain their veto. As so often with European

policy matters, rhetoric is likely to be directed at efforts by federalist EU nations and the European Commission to force the pace towards a European government. Mr Rifkind will stress that there is no case for shifting power to Brussels from foreign ministries in national capitals. But he is likely to concede that there will be moves towards a European foreign policy.

The Foreign Secretary is making the speech in Paris partly because France shares some of Britain's reservations over the federalist impulses of its European partners. While in Paris, Mr Rifkind will see — as well as the Prime Minister, Alain Juppé — Philippe Séguin, the Speaker of the French National Assembly. Mr Séguin, who led France's anti-Maastricht campaign during the 1992 referendum, will doubtless lend support to Britain's scepticism.

The central issue that Mr Rifkind will have to deal with is what the French and Germans call "constructive abstention" — giving individual states the right to object to a policy move, but not the ability to block it. France and Germany believe that it is essential to have a mechanism of this type so that the EU can forge ahead even if Britain or other states want to stand aside.



Pilgrims' progress: A train all but disappears under its passengers as Bangladeshi Muslims travel to Tongi, north of Dhaka, to attend the final prayers of Biswa Jiteema, an annual three-day Islamic congregation which draws some 700,000 devotees from 80 countries. Photograph: Reuters

Win Damon Hill's Renault Spider with THE INDEPENDENT



We would like to give you the chance to win a unique open-topped sports car that has had one careful owner - Damon Hill. Damon, hotly tipped to take this year's Grand Prix crown from Michael Schumacher, will road test our prize Renault Sport Spider, a magnificent mid-engine two seater that was the hit of the Geneva Motor Show. The Spider, which will retail for around £25,000, has a lightweight aluminium chassis and a 150 bhp 2 litre Clío Williams engine which gives a top speed of 130 mph. Though the Spider's high-tech interior and racey, squat lines show its race track pedigree, this is a car that was designed for everyday use. Safety is a prime feature, as is driver comfort and noise reduction. Acceleration, road-holding, cornering and

breaking are all that you would expect from a designer thoroughbred. Production of the Spider will be strictly limited, and your prize car will carry the Damon Hill seal of approval.

HOW TO ENTER

To be in with a chance of winning our prize Renault Sport Spider you must collect five differently numbered tokens from the fourteen we are printing in The Independent and The Independent on Sunday. Today we are printing Token 10; Token 11 will be printed in tomorrow's Independent. An entry form will be published on Saturday 9 March. It must be completed and sent in with your tokens.

TERMS AND CONDITIONS

As previously published.

Renault Spider

TOKEN 10

THE INDEPENDENT

Your cat's health

Your cat is sick. It happens. Just the same as it does to all of us. But there's a difference. Your cat cannot explain his symptoms to the vet. That's why he needs your help.

A new book *The Complete Guide to your Cat's Health* helps you to understand your cat, taking you through all the main conditions, explaining the symptoms and treatment for such diverse illnesses as: ... allergies ... lack of appetite ... arthritis ... blindness ... constipation ... dandruff ... deafness ... depression ... diarrhoea ... hair balls ... nervousness ... obesity ... vomiting ... weight loss — over one hundred conditions in all. There's more. *Your Cat's Health* includes extensive advice on diet, herbal remedies, pregnancy, sleep, homeopathic treatments and a very comprehensive section on First Aid — it is vital to know what to do in an emergency and this new book is there to guide you.

To order your copy of *The Complete Guide to your Cat's Health* send your name, address and book title with payment (cheque or Visa/Access with expiry date) of £9.95 which includes postage and handling to Carnell plc, Dept GCH1, Alresford, nr. Colchester, Essex CO7 8AP, or telephone their 24 hour order line on 01206 825600 (quoting ref. GCH1). Allow up to 14 days for delivery. You may return the book any time within three months for a full refund if not satisfied.

Eric Hill
Introducing the NEW EARLY SPRING CATALOGUE for women who enjoy classic fashion at a realistic price

Over 80 classical styles including leading collections, made to the highest standard in beautiful fabrics, are featured in the new Early Spring catalogue —

SIZES 12-26.

- Natural fabrics
- Cottons • Dresses
- Skirts • Blouses • Suits
- and much more.

Postage & packing is FREE.

SEND TODAY FOR YOUR FREE 36 PAGE CATALOGUE

Just write or phone (Mon-Fri)

01483 898222

All shoppers welcome at Bramley (Mon-Fri 9-5)
Eric Hill Ltd, Dept (IN 10), High Street, Bramley,
Nr. Guildford, Surrey, GU5 0HQ

Serb general spurns tribunal

The Hague (Reuters) — Djordje Djukic, a Bosnian Serb general, pleaded not guilty yesterday to war crimes charges relating to the 43-month siege of Sarajevo and said he had done nothing to warrant an appearance before the tribunal.

The UN criminal tribunal for former Yugoslavia charged General Djukic with assisting in the shelling of the Bosnian capital during the siege from May 1992 to December 1995 in which more than 10,000 people are believed to have died.

General Djukic, a senior logistics officer in the Bosnian Serb army, was arrested by Bosnian government police on 30 January with a Bosnian Serb colonel, Aleksa Krsanovic.

General Djukic told the chamber he understood the indictment which accused him of crimes against humanity, but his lawyer called the proceedings "a kind of judicial and legal nonsense".

General Djukic, a senior aide to the Bosnian Serb military commander, General Ratko Mladic, also been indicted by the tribunal, has refused to answer prosecutors' questions. "It's not known whether I'm being tried in front of the tribunal in The Hague or the court in Sarajevo, or in front of both," he said.

The tribunal, set up by the Security Council in 1993, is the first international body to prosecute war crimes since the trials at Nuremberg and Tokyo after the Second World War.

Meanwhile, a UN spokesman in Sarajevo said Bosnian Serbs are continuing to evict Muslims and Croats from their homes in the northern city of Banja Luka, in spite of assurances from Serb police that "ethnic cleansing" would end.

"We are receiving reports on a daily basis that people are being forced to leave their homes," said Alexander Ivanko, a spokesman for the International Police Task Force.

"This is a disgrace and should be dealt with appropriately by the local authorities who we understand have enough police forces to stop the evictions."

Spanish right falls short of majority in poll

ELIZABETH NASH
Madrid

Spain's conservative Popular Party, the victor in Sunday's general elections, admitted yesterday that it would be unable to govern alone, and started to discuss prospects for co-operation with other political forces.

The PP leader, Jose Maria Aznar, said he would have liked more than the 156 seats his party won, 20 short of an absolute majority and only 15 more than the vanquished Socialists. He added that he had opened a dialogue with other parties with a view to making pacts.

As politicians adjusted to the new and inconclusive balance of forces, Etsa Basque separatists struck again. A car bomb in the northern city of Irun killed a Basque policeman yesterday morning. The victim, Ramon Doral, was described in Etsa's newspaper *Egin* as an organiser of anti-Etsa operations.

A resurgence of Etsa terror had been feared in the wake of a PP victory, as the party had promised a hard line against Basque separatism.

Mr Aznar, already beginning to look statesmanlike, said he was proud of the PP's achievement: "We have succeeded in converting the PP into the leading party of Spain and a great party of the centre." But he added: "I know that the situation is very difficult, following the decision of Spaniards that we respect, and the problems are difficult to resolve."

He pledged to form a stable government for the next four years and promised: "We will talk to everyone without exception." He did not specify what kind of co-operation he had in mind, and did not rule out either a formal coalition or temporary *ad hoc* deals.

Mr Aznar is under pressure to act swiftly to steady the nerves of the business community, which was disappointed that the party in which it had invested great hopes would not be able to govern without support. Spain's stock exchange suffered the second largest fall in history yesterday. The peseta also fell. Mr Aznar recognised the potentially disastrous economic consequences of a hung parliament.

Obvious candidates for a partnership with Mr Aznar are the nationalist Catalan Convergence and Union party, led by Jordi Pujol, and the conservative Basque Nationalist Party, led by Xabier Arzalluz. These two seasoned old warhorses, veterans of Franco's jails and schooled in the art of screwing benefits from Madrid, are rearing and plunging as they wait for Mr Aznar's outstretched hand.

Neither is making the first move. Mr Pujol's party won 16 seats, one fewer than in the last parliament when he supported Mr Gonzalez for more than two years, but a good showing against a PP offensive in Catalonia. Mr Pujol observed yesterday that the PP, with its

centralist *españolista* convictions, struck fear into the hearts of many Catalans. His party said that it was not disposed to support Mr Aznar as the Prime Minister.

The CUP's coolness towards the PP is reciprocated. But Mr Aznar may have to eat his pre-election remarks that Catalans were only interested in what they could grasp from Madrid. It was a sign of the times that the habitual victory chorus among PP supporters, of "Pujol, dwarf, learn to speak Spanish", was hushed up by party officials on Sunday night. Without Mr Pujol, Mr Aznar's government is doomed.

The party of Mr Arzalluz, an austere former Jesuit priest, held its five MPs against a PP upsurge in the Basque Country. He has also been riled by Mr Aznar's campaign comment that his 100-year-old party should learn to be democratic before being nationalist.

"We are ready to share in the tasks of government," Mr Arzalluz said, "but it is up to Mr Aznar to offer conditions for coalition or co-operation."

The outgoing Prime Minister, Felipe Gonzalez, 54 today, has shed 10 years in 24 hours and was smiling as he conceded defeat. Freed from the burden of a government dying on its feet and with his party intact, he seems to relish the prospect of moving into his own home for the first time in 13 years and laying into the new government as leader of a strong opposition.



On a roll: Bob Dole with his wife, Elizabeth, and Governor David Beasley (left) after winning the South Carolina primary

Photograph: AP

Dole shapes up for knock-out blow

RUPERT CORNWELL
Washington

Bob Dole, the Republicans' rediscovered front-runner, has a chance today of clinching, in practice if not in statistical certainty, the party's 1996 presidential nomination with a crushing show of strength in eight primaries scattered across New England, the South and the Rocky Mountain state of Colorado.

In all, 226 delegates are at stake, including 42 in Georgia; 37 in Massachusetts; and 27 in Colorado - only a modest fraction of the 996 needed for outright victory at the San Diego convention. But a sweep or near-sweep by Mr Dole, immediately after his surprising clear-cut triumph in South Carolina at the weekend, would create a mood of "bandwagon" inevitability around his candi-

dacy that would surely sweep him to final victory.

In all eight states (and in New York, which votes on Thursday) polls put the Senate majority leader ahead, albeit by varying margins. The closest battles could come in Georgia, where the conservative populist Pat Buchanan is making a sustained effort, and in Colorado and Maine, traditionally quirky states where Steve Forbes, the multi-millionaire publisher, could do well.

The wind, though, is unarguably in Mr Dole's sails, speeded by an endorsement yesterday from Newt Gingrich, the House Speaker, as he cast an early absentee ballot in his home state of Georgia, and by predictions from a host of party notables, including Mr Dole's former rival for the nomination, the Texas Senator Phil Gramm, that the race was all but over.

THE US PRESIDENTIAL ELECTIONS

In this particular political year of course, bold words have had a habit of being instantly eaten, but the entire Dole campaign seems suddenly to have acquired a surer touch. His opponents meanwhile make scant headway. An increasingly strident Mr Buchanan seems to have hit a ceiling of support between 25 to 30 per cent while - barring a Georgia miracle - the campaign of the former Tennessee governor Lamar Alexander looks to be on its last legs.

Perhaps wisely, too, Mr Dole avoided candidates' television debate in Atlanta on Sunday evening. When he did the same thing in Arizona a week ago, the

tactic backfired, but this time Messrs Buchanan, Alexander and Forbes mostly squabbled among themselves, leaving the biggest headlines to be captured by the uninvited fringe candidate Alan Keyes, arrested and handcuffed by police as he attempted to force his way into the room where the debate was being held.

For Mr Dole, the gathering sense of inevitability has not come a moment too soon. Front-runner he may be, but within a week or so he will hit the \$37m (£24.6m) primary spending ceiling for candidates like him who accept federal matching funds. Not that donations are not rolling in - simply that they cannot be spent on the advertising blitzes essential in these multi-primary weeks where it is physically impossible to campaign seriously in person in each state.

Whatever it leaves in terms of quality, 1996 has already smashed all financial records. The Republican candidates have spent \$140m, led by Mr Dole and Mr Forbes with \$30m or more apiece, and \$20m by Mr Gramm, who withdrew after the Iowa caucuses three weeks ago. At the same stage in 1992, Mr Buchanan and the then president, George Bush, had spent a combined \$23m.

Yesterday, meanwhile, Mr Dole got a 14-delegate boost from Puerto Rico, where he won a landslide victory over Mr Buchanan. Although it is not formally part of the US and does not vote in presidential elections, it does send delegates to the conventions. Its government had urged inhabitants to reject Mr Buchanan, celebrating for referring to Hispanic immigrants to the US as "truckloads of Joses".

President's daughter in running

Tehran (Reuters) - The daughter of President Ali Akbar Hashemi Rafsanjani of Iran is running for parliament in Friday's election with a campaign backing a bigger role for women in politics, society and sport. Only nine of the 270 deputies elected to the Majlis in 1992 are women.

Faezeh Hashemi, a political scientist, said yesterday: "Be-

cause of the domination of male chauvinist culture on the one hand and on the other the fact that Islamic rules were not applied before the revolution, few women were attracted to social and political activity."

She is one of 187 women among 3,232 candidates approved by a Guardian Council which has checked them all for their Islamic faith and belief in

Iran's Islamic state system.

Before the 1979 revolution, men and women mixed in social and sports activities. "That was incompatible with Islam and considered improper," said Ms Hashemi, a sportswoman and founder and head of the Islamic Countries' Women's Sports Solidarity Council, who organised the first games for Muslim women in Tehran in 1993.

The COOPERATIVE BANK



Guaranteed free for life.

The offer 1 million people couldn't refuse.

This is the most popular credit card offer ever, and it's easy to see why. You'll never be charged an annual fee for your Co-operative Bank Visa Card. Guaranteed. Think what that could save you over a lifetime. And you can transfer your existing balance from any other major credit card company at a special discount rate of just 1% per month

(12.6% APR variable). So, if you owe say £3,000 on a Barclays or NatWest Bank credit card you could save up to £290 over two years.* You don't even have to bank with us. We guarantee to match the credit limit you currently enjoy. (Our Gold Card carries a minimum £3,000 limit.) It's an unbeatable offer, so call us free now.

No annual fee. Ever.

Pay off your existing balance at 12.5% APR variable.

Save up to £290 on your debt.*

Keep your credit limit.

Gold Card limit £3,000 minimum.

0800 000 365

Call free quoting reference no. 57051 or post the coupon

Post to: Visa Card Dept, Co-operative Bank p.l.c., FREEPOST (MRB92), Manchester M1 9AZ or phone 0800 000 365 (24 hours a day, 7 days a week). Please use block capitals.

Full name _____ Address _____

Postcode _____ Phone number _____

Please tick card interested in ☐ Visa Card ☐ Gold Visa Card

Hit the start button on your new HP Vectra 500, and the first thing you'll see coming off the printer is \$50.



hp HEWLETT PACKARD

If you're thinking of buying a new PC and printer for your business, here's how to get the best machines on offer - and at an offer price!

Get \$50 cashback on the HP printer of your choice when you buy an HP Vectra 500 Series PC with it.

The HP Vectra 500 is designed specifically for business users. And comes with a complete suite of office software.

HP Vectra 500 users also get their own dedicated helpline, which will not only help you with using your PC, but also provide free support on the top 100 software packages.

Model options include an Intel Pentium® Processor in the HP Vectra

models 522, 560, 562, 564, 572, 574. Four of these are multimedia, and the HP Vectra 564 includes a fax-modem with voice answering and message system!

We've made the HP Vectra Series easy to use and very reliable. In fact, according to a recent PC Magazine survey, HP PCs are the most reliable PCs in Britain.

Which means choose an HP Vectra 500 and you can get on with your business. We call this giving you room to think.

But don't think about this offer too long. It only lasts until March 22nd.

For more details, call 0890 300500. HP PCs GIVE YOU ROOM TO THINK



Rules: 1. Closing date for all applications is the 30/04/96. 2. Voucher only valid while stocks last or until the expiry date shown. 3. Proof of purchase required. 4. Offer only available on Hewlett-Packard Vectra 500 PCs and HP printers. 5. Only one voucher per HP printer purchased. 6. Applications only acceptable on the official voucher. 7. Voucher and full T&Cs and Conditions obtained on 0800 300500. 8. Offer not open to UK dealerships. The Promoter: Hewlett-Packard Limited, Cam Road, Bracknell, Berkshire, RG12 1HN. The Intel Inside logo and Pentium Processor are all trademarks of Intel Corporation.

obituaries / gazette

Jeffrey Quill

Today marks the diamond jubilee of the first flight of the immortal Supermarine Spitfire, from Eastleigh aerodrome, Southampton. Weather permitting, one of the 46 surviving airworthy Spitfires (from the total of 22,759 built) will commemorate that first flight before invited guests and former members of the Spitfire team. Jeffrey Quill, the second man to fly the aircraft (after Vickers' chief test pilot, "Mutt" Summers), who took over as chief test pilot and later test-flew every mark of Spitfire, and whose name will for ever be linked with R.J. Mitchell's masterpiece, died last month. As President of the Spitfire Society, which is closely involved with the celebrations, Quill had been looking forward to the event.

Quill was born at Littlehampton in Sussex in 1913, the youngest of five children. In 1926 he began his secondary education at Lancing College, which overlooks Shoreham aerodrome. The constant aerial activity overhead quickened the already air-minded Quill's resolve to take a non-commissioned career in the Royal Air Force long before he left Lancing in 1931.

At 18½ Quill was accepted into the RAF as an Acting Pilot Officer. He learned to fly on Avro Tutor biplanes and went solo in the remarkably short time of 5 hours 20 minutes (9 hours being regarded as the norm). He graduated on the Spitfire IIIA advanced trainers, and his flying ability was assessed as "exceptional". In September 1932 he joined No 17 Squadron RAF at Upavon, where he began flying Bristol Bulldog fighters. He flew as often as possible in order to familiarise himself with the aeroplane, practising aerobatics and flying in cloud. He wrote later:

Unless aerobatics were practised assiduously to the point where one was familiar with every conceivable combination of speed and altitude of

which the aircraft was capable, one was not master of the aeroplane. Therefore a day would come when the aeroplane decided that it was in charge instead of the pilot, and that would be the last day. I never had cause to modify that view, and I kept my aerobics well honed to the day of my last flight as a pilot.

This discipline was to stand Quill in good stead for his future career as a test pilot.

While still at Lancing Quill had attended the famous RAF Display at Hendon, never perhaps dreaming that he would soon participate. He did so on 24 June 1933, taking part in a mock bombing attack.

Quill's aptitude and penchant for flying in all weathers suited his posting to the Meteorological Flight at Duxford. There, flying open-cockpit Siskins, the unit made twice-daily scheduled flights (except on Sundays) up to 25,000ft to collect data for weather reports. After Quill took command of the flight in November 1934 he and his team managed to fly every "slot" for a whole year, regardless of "unflyable" weather, without missing a flight. For this achievement Quill was awarded the Air Force Cross. On one occasion, when letting down through cloud, his Siskin hit the ground very hard but in perfect landing attitude, bounced over a hedge and overturned, pushing Quill's head forward on to the cockpit coming (his raised border). Had he not already received a broken nose from a boxing accident he would have qualified for the "Siskin nose" — a characteristic of many pilots of the period.

In January 1936 Quill joined Vickers (Aviation) Ltd as assistant to its chief test pilot, "Mutt" Summers. His initial task was the testing of the Wellesley bomber, and it was while flying a production Wellesley that Quill had a narrow escape. The 74ft 7in-span bomber refused to recover from a spin and at 3,000ft Quill decided to bail out. As he descended, the

spinning bomber seemed intent on slicing the pilot with its wings; but he landed safely not far from the Kingston bypass.

Quill's long association with the Spitfire began in earnest when he made his first flight in the prototype on 26 March 1936. There was some rivalry with Hawker, whose Hurricane had first flown four months earlier and Quill's priority was to get the Spitfire cleared for acceptance by the RAF. A thoroughbred from the start, the Spitfire nevertheless needed a great deal of work before it was deemed safe for young RAF pilots to fly, and did not enter squadron service until July 1938. However, developed through many marks and variants, the Spitfire remained a first-line fighter throughout the war. During this entire period Quill was in charge of development and production flying, a job that he took very seriously — so seriously that he felt he must obtain first-hand combat experience. During August-September 1940 he was temporarily released to join No 63 Squadron at RAF Hornchurch, privately hoping that it would be a permanent appointment. On 16 August he shot down an Me109 and two days later shared a victory over Heinkel He 111. His combat days were short-lived, but they made Quill all the more determined to make the Spitfire an even better fighting machine.

In 1942 the Luftwaffe's Focke Wulf Fw190 was gaining the edge over Allied fighters, and it was an urgent priority to capture an example. For a while Quill was on standby to be taken to France in order to hijack a Fw190 back to England. Fortunately an example was delivered to the RAF on a plate in the meantime, when a disorientated German pilot landed at a Welsh airfield by mistake.

With the introduction of the navalised Spitfire, the Fleet Air Arm suffered enormous losses through deck-landing ac-

cidents. In the space of three days one force of 106 Seafires was reduced to 64 serviceable aircraft; something had to be done. Quill duly spent five months with the Navy, during which time he made 75 deck landings. The distinguished naval test pilot Capt Eric "Winkle" Brown later wrote, "[Quill] was an inspired choice, as he had the analytical mind of a superb test pilot trained to find answers to any flight problem." Equally importantly, he could explain testing problems to his team in language which everyone could understand.

By the end of the war Quill had personally test flown all 50 odd variants of Spitfire and Seafire. The rapid increase in performance, armament and all-up weight produced a never-ending stream of design changes, most of which tended to be detrimental to handling qualities and affected the Spitfire's aesthetics. But, as Quill remarked, "We were trying to produce the most effective flying machine, not the most elegant flying machine." His personal favourite mark, from a pure flying point of view, was the Spitfire VIII, with standard wings.

Quill continued as chief test pilot after the war, when Vickers over on the cutting edge of development — produced Britain's third jet aircraft, the Attacker. On 27 July 1946, Quill made the first flight, from Boscombe Down, and continued to undertake the testing until, one day the following June, he passed out at about 40,000ft. Fortunately he recovered at about 10,000ft in time to land safely. Quill had been flying continually for 16 years, often at high altitude and without oxygen; he was tired and unwell, and he knew that his career as a test pilot was over. He handed the reins to Mike Litton and prepared himself to fly a Seafire. He had logged more than 5,000 flying hours in nearly 100 different types of aircraft.



Quill at the controls of a Spitfire. He was only the second man to fly the aircraft

Quill continued to fly, delivering Spitfires to Cairo and Attacker to the Royal Pakistan Air Force. For many years he kept his hand in with the Spitfire, flying a Mk V at airshows, his aerobically displays indicating that the master had not lost his touch. His last flight in a Spitfire was made on 16 June 1960, 30 years after his first flight in the prototype. Afterwards he recalled, "As I climbed out of the cockpit, I had that feeling of sadness of bidding farewell to an old friend."

The desk flying began in 1948, with Vickers-Armstrong. After the formation of the British Aircraft Corporation Quill became involved with the Jaguar programme from its inception and became director of the Anglo-French company Sepelet. He was in at the start of the tri-national Multi-Role

Combat Aircraft (Tornado) programme in 1969 and became Director of Marketing in Panavia until retiring in 1978.

Outside flying, Quill's interests extended to sailing and powerboat racing. In 1962 he and his friend, Lt-Col Don Robertson, a former test pilot with Supermarine, won the *Daily Express* offshore powerboat race in *Tramontana*, a wooden Vosper-built craft powered by two Italian 37-litre engines. The following year the pair finished third in *Tramontana II*.

In 1983 Quill published his excellent and absorbing book *Spitfire: a test pilot's story*, dedicated to the pilots who flew and fought in the Spitfire. His second book, *Birth of a Legend: the Spitfire*, co-written with Sebastian Cox, was published in 1986. Quill was passionately interested in English literature, be-

lieving the English language to be "the greatest medium of human communication". Shortly before his death he had almost completed an anthology of quotations, mostly from English and Scottish writers, entitled *Other Men's Thoughts*.

Jeffrey Quill was a modest, conscientious and talented man, admired, respected and liked by those fortunate enough to know him. A cheerful man with a sense of humour, he was an inspiration to those who worked with him and a hero to thousands who watched his career from the touchline.

Richard Riding

Jeffrey Kindersley Quill, aviator: born Littlehampton, Sussex 1 February 1913; married three times (three daughters); died Andrews, Isle of Man 20 February 1996.

Jacobo Majluta

Jacob Majluta was one of the generation of politicians in the Dominican Republic whose ambition was continually thwarted by the country's labyrinthine power struggles and explosive sectarianism. He was elected Vice-President in 1978 and served as President for 42 days in 1982, replacing the disgraced Antonio Guzmán, who had committed suicide, but he never again held the highest office which he so openly craved.

Born in 1934 into a merchant family of Middle Eastern origin, Majluta studied finance at San Domingo University before working as an accountant in the banking and state sectors. He joined the Dominican Revolutionary Party (PRD) in 1961, in the wake of the dictator Leonides Trujillo's assassination, and rose quickly, becoming the youngest minister in Juan Bosch's short-lived government of 1963. When it was overthrown by a military coup later that year, Majluta went into exile, returning to rebuild his political career and winning the PRD's vice-presidential nomination for the 1978 elections.

In power, Majluta was out of sympathy with the PRD's more radical social-democratic wing. As head of Corde, one of the large state-sector companies, he was also allegedly involved in corruption, although charges were never proven. His real concern, however, was to beat off the challenge of rival *caudillos* or strongmen within the PRD, and this struggle dominated the rest of his career.

After Guzmán's suicide, Majluta hoped to win the PRD's presidential nomination, but lost out to Jorge Antonio Blanco. When Blanco won the 1982 elections, Majluta became president of the senate, using his position to side with the opposition and block his rival's policy programme. As Blanco's administration gradually slid into bankruptcy and social and economic chaos, Majluta again aimed for the PRD's nomination. This time, however, he faced the formidable José Francisco Peña Gómez, and open war broke out between the two men's factions. After several rival supporters were killed in shoot-outs, Majluta finally grabbed the nomination for 1986.

Despite his considerable political skills, Majluta was no match in the elections that year for Joaquín Balaguer, the grand old man of Dominican politics. Balaguer defeated Majluta by a narrow margin to return to the presidency at the age of 78. The brutal in-fighting which had won Majluta the PRD ticket had also alienated a large section of the party, and many of the PRD faithful voted against their own candidate.

Majluta did not enhance his standing by claiming victory as soon as voting ended and by demanding a rerun of the election. In the end a series of meetings with emissaries from the military and Church — the country's real power-brokers — forced him to accept defeat.

In 1987 Majluta was expelled from the PRD as Peña Gómez reasserted his influence, but an electoral court ruled the move illegal. In 1989 he left to form his own Independent Revolutionary Party (PRI), an organisation geared specifically towards his electoral aspirations. The PRI gained genuine popular support, but the 7 per cent it won in the 1990 election was enough to undermine Peña Gómez's chances.

Ironically, in the weeks before his death, Majluta had sought rapprochement with his old rival and had even endorsed Peña Gómez's candidature for the forthcoming May elections. It was an uncharacteristic gesture on the part of a hard-nosed, cynical fighter who always valued personal power far higher than party democracy.

James Ferguson

Jacob Majluta Azar, politician: born 9 October 1934; Vice-President, Dominican Republic 1978-82; President, 1982; married; two daughters; died Tampa, Florida 2 March 1996.

Professor Sir James Sutherland

James Sutherland was not only one of the century's foremost 18th-century scholars but a link with the heroic days of English as a university discipline.

Born in 1900 in Aberdeen, he was educated at Aberdeen Grammar School and University before going to Merton College, Oxford, where he was a pupil of David Nichol Smith who had himself been taught by George Saintsbury in Edinburgh. The first volume of Saintsbury's *History of Criticism and Literary Taste* had been published in 1900. Nichol Smith had also been a colleague of Sir Walter Raleigh, first holder of the Chair of English established in Oxford in 1904. The succession and the developments to which James Sutherland belonged could hardly be more clearly marked than by these coincidences.

In an inaugural lecture as Lord Northcliffe Professor of Modern English Literature, "The English critic," delivered at University College London in 1952, Sutherland firmly stated his own position at a time when he saw a present danger that criticism was no longer content to be, in Pope's phrase, "the

Muse's handmaid", but aspired to become an independent activity. He found the English critical tradition exemplified in qualities characteristic of the work of four writers: the "urbanity" and "sedate cheerfulness" of Dryden's essays; the independence, openness and interest in literary biography of Johnson; the personal immediacy of Hazlitt and the connoisseurship of George Saintsbury. In 1952, when the young were much excited by the moral earnestness of E.R. Leavis, the intensive analyses of Cleanth Brooks's *The Well Wrought Urn* (1947), and the systematic theorising of Wellek and Warren's *The Theory of Literature* (1949), this was a bold declaration of faith, likely to lead, as it did in some quarters, to charges of dilettantism.

Sutherland knew that he was being unfashionable but he never wavered in his belief that criticism should be a humane and social activity, addressed to and meeting the interests not only of academics and initiates but of men and women who lived in the world. His work, available in more than 20 books, demonstrates that this aim

could be achieved without the slightest compromise of academic integrity.

Literature for him was a very important part, but only a part, of life itself and it is characteristic that his first major book, *Defoe* (1937), dealt with a man who had been deeply engaged with manufacturing, politics, and journalism before, at the age of 59, he wrote *Robinson Crusoe*, a great popular work. Sutherland's biography was seminal in encouraging the explosion of interest in Defoe that has occurred in recent years and he himself returned to the subject with *Daniel Defoe: a critical study* (1971).

It is typical too that Sutherland's contribution to the great "Twickenham" edition of Pope was *The Dunciad*, a satirical epic which reaches out in every couplet to the minutiae of contemporary cultural and political life. Sutherland's commentary will always be indispensable to any reader struggling to maintain his foothold in this magnificent but sometimes rebarbative poem.

The work on Defoe and Pope, together with the magisterial *English Literature of the*



Sutherland: formidable

Late Seventeenth Century (1969), is at the centre of Sutherland's achievement. But he ranged widely and excelled in work which explained the conventions and background necessary to literary appreciation, notably *A Preface to Eighteenth Century Poetry* (1948).

As a lecturer he was always meticulously prepared, informative, lucid, mindful of the needs of his audience and possessing, as he said of Hazlitt, "the secret of communicating

his enjoyment and stimulating his readers", rousing their appetite. When, as a student, I first met him in 1949, I was impressed by his spare, elegant, well-dressed and somewhat formidable figure. And of course he was formidable, but never unapproachable, and he had a laconic and sometimes self-deprecating humour that was immensely appealing.

Sutherland was in demand as a supervisor of postgraduate students, especially from the United States where he was well known. Between 1947 and 1970 he held visiting professorships at Harvard, Indiana, the University of California, Los Angeles, Pittsburgh and New York and was Clark Library Fellow at UCLA.

In the later part of his career he received many honours. He became an FBA in 1953 and was awarded honorary doctorates at the universities of Aberdeen, Edinburgh and Liège. He was invited to give several distinguished lecture series, including the Alexander Lectures in Toronto (*On English Prose*, 1957) and the Clark Lectures in Cambridge (*English Satire*, 1958). He was knighted in 1992.

But his laurels were not for resting on. As late as 1986 he published *The Restoration Newspaper and its Development*, a complex and fascinating interweaving of historical information with a study of how news was gathered and presented by rival groups at a time when it was the constant aim of government to control and manipulate the supply of information. Work on such fugitive material necessarily demands a grasp of minute detail and constant recourse to badly printed texts, often available only on microfilm. To produce such a study in one's eighties and to do so with such triumphant success is an astonishing accomplishment. But the final publication, coming as recently as 1992, was an incisive attribution study on Swift, contributed with the greatest kindness and generosity to a festschrift for an old student.

James Sutherland's life had a shape and a unity that it is wonderfully satisfying to contemplate. He was fond of quoting Hazlitt's remark that his function was "to feel what is good and give reasons for the faith that is in me". Sutherland

did this through a long life and he will be remembered with great affection and gratitude by former students and colleagues. But he will be remembered also by many thousands of people who have little academic interest in literature, but who enjoy and keep returning to *The Oxford Book of English Verse* (1953) and *The Oxford Book of Literary Anecdotes* (1975) which he compiled and which continue to have great success in the world. This is as it should be.

John Chalker

James Runciman Sutherland, English scholar and teacher: born Aberdeen 26 April 1900; Senior Lecturer, University College London 1930-36; Professor of English Literature, Birkbeck College 1936-44; Editor, *Review of English Studies* 1940-47; Professor of English Language and Literature, Queen Mary College 1944-51; Lord Northcliffe Professor of Modern English Literature, University College London 1951-67 (*Emeritus*); FBA 1953; Public Orator, London University 1957-62; *Kt* 1992; married; 1931 Helen Dircks (died 1975); 1977 Mrs Eve Betts; died Oxford 24 February 1996.



Baxter: music for theme parks Photograph: Aquarius Library

Les Baxter

Nobody ever called Les Baxter shy. "I want to be innovative," he told Joe Smith for the book *Off the Record*. "Perhaps I was the most innovative person in our business. I don't know."

A musician-singer-composer-producer-conductor-arranger, Baxter was a concert pianist at the age of five. When rock 'n' roll was at its height, he astonished the music business with *Voice of the Xabays* (1950), a Number One album of Aztec songs, sung by Yma Sumac. He wrote music for theme parks. For the horror film *Frogs* (1971)

he created a background score consisting entirely of synthesised frog sounds. When the Academy of Motion Picture Arts and Sciences asked him who had collaborated with him on the score, he replied "The frogs".

After musical studies at Detroit University, Baxter attended Pepperdine College in Los Angeles. There he began playing tenor sax, and was often allowed to sit in and accompany Billie Holiday. In 1945 he left Freddie Slack's band to join Mel Tormé's vocal group, the Mel-Tones. They sang with Tormé on

various radio shows, in the "B" film *Let's Go Steady* (1945), and on record with the Artie Shaw band.

Shortly after signing a long-term contract with Capitol Records, Baxter arranged and conducted two of Nat "King" Cole's greatest hits: "Mona Lisa" (1950) and "Too Young" (1951). He reached the Top 10 with his instrumental singles of "April in Portugal" (1953), "The High and the Mighty" (1954), "Unchained Melody" (1955) and "The Poor People of Paris" (1956). Eventually he tired of

recording other people's music and began writing his own orchestral LPs, albums bearing such globe-trotting titles as *Tambour*, *A Day in Rome*, *Fiesta Brava* and *Sunshine at Kowloon*. Another of his albums, *The Saxes of the Savages*, included "Quiet Village," a hit for the Martin Denny Orchestra in 1959.

Baxter scored over 100 films, more than half of them for the economy-obsessed American International Pictures. His scores for AIP include *The House of Usher* (1960), *The Pit*

and the *Pendulum* (1961), *Tales of Terror*, *The Premature Burial* (both 1963) and *The Dunwich Horror* (1970). He was particularly proud of his lively score for *The Master of the World* (1961), a low-budget Jules Verne romp, notorious for its blatant use of stock footage; what purported to be an aerial view of 19th-century London was a shot from Olivier's *Henry V*.

Baxter composed music for many television programmes, and wrote a series of shows for a marine theme park. In 1981 a journalist asked him why he

accepted such a wide variety of work. "Once I made the mistake of turning down composing the ballet *Fancy Free* for Jerome Robbins," he replied. "I recommended Leonard Bernstein. It was the first great success of his career, and since then I've never turned down anything!"

Diek Vosburgh

Les Baxter, conductor, composer, arranger, singer, pianist: born Mexia, Texas 14 March 1922; married (one son, one daughter); died Orange County, California 15 January 1996.

Births, Marriages & Deaths

DEATHS
IN SLEIGH: On 1 March 1996, Gertrude Mary, widow of Bolton Row Houses, Cumby, formerly Northern Area Education Officer for Cumberland.
O'SULLIVAN: On 1 March 1996, the Rev Don Benjamin O'Sullivan, aged 82 years, monk of Ampleforth Abbey, Requinum Mass, Thursday 7 March 1996, at 12 noon at Ampleforth Abbey.

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS (Births, Adoptions, Marriages, Deaths, Memorial services, Wedding anniversaries, In Memoriam) should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 3UL, telephoned to 0171-293 2011 or faxed to 0171-293 2010, and are charged at £6.50 a line (VAT extra).

Forthcoming marriages

Mr A. M. A. Kileati and Señora N. R. Campos Liste
The engagement is announced between Mark, second son of Sir Peter and Lady Kileati, of Croydon, Surrey, and Natalia, only daughter of Señora Marina Campos Bontine and Señora María Liste Louzao, of Vigo, Spain.

The Ben O. Montagu and Miss L. Remondel
The engagement is announced between Orlando Montagu, son of the Earl and Countess of Sandwich, and Laura, daughter of Mr and Mrs Richard Roundell.

Birthdays

Lady Elizabeth Basset, Extra Woman of the Bedchamber to Her Majesty the Queen Mother, 85; The Right Rev Thomas Butler, Bishop of Leicester, 56; Admiral Sir Simon Casles, 68; The Earl of Crawford and

Balcarras, premier Earl of Scotland, 69; Mr Jim Dowd MP, 45; Miss Samantha Eggar, actress, 57; Mr Anthony Hedges, composer, 65; The Most Rev Bruno Heim, (former Apostolic Pro-Nuncio, 85; Sir Robert Herbert, chairman, Leopold Joseph Holdings, 62; Mr Richard Hickox, conductor, 48; Mrs Ann Longley, Headmistress, Rodean, 54; Lord Macfarlane of Bearsden, chairman, Macfarlane Group, 70; Miss Elsie March, actress, 85; Sir Derek Mitchell, former senior civil servant, 74; Miss Elaine Paige, actress and singer, 44; Sir Jack Rambold, former president, Industrial Tribunals, 60; Mr Stan Stockwell, film actor, 60; Air Marshal Sir Thomas Storer, defence consultant, 60; Mr Barry Tuckwell, conductor and horn player, 65; Mr Des Wilson, Director of Corporate and Public Affairs, BAA plc, 55.

Anniversaries

Births: Gerhardus Mercator (Gerhard Kremer), cartographer, 1512;

Giovanni Battista Tiepolo, painter, 1696; Sir Austen Henry Layard, archaeologist, 1817; William Henry, first Baron Beveridge, of the Beveridge Report on social insurance, 1879; Sir Rex Carey Harrison, actor, 1908; Deaths: Antonin Allegri da Correggio, painter, 1534; Thomas Augustine Arne, composer ("Rule, Britannia!") 1778; Flora Macdonald, Jacobite heroine, 1790; Sergei Sergeyevich Prokofiev, composer, 1909; Joseph Stalin (Iosif Vissarionovich Dzhugashvili), Russian leader, 1953; Anna Akhmatova (Anna Andreyevna Gorenko), poet, 1966; Mohammad Mosaddeq, politician, 1967; Tito Gobbi, baritone, 1984; William Powell, actor, 1984. On this day: the foundation stone of New College Oxford was laid, 1397; soldiers fought civilians at Boston, Massachusetts, in the Boston Massacre, 1770; Covent Garden Theatre, London, was destroyed by fire, 1856; civil disobedience in India ended, 1931; the Nazis made large gains in the German general election, 1933; the Battle of the Bismarck Sea ended, 1943; Winston Churchill made a speech at Fulton, Missouri, referring to an "Iron Curtain" across Europe, 1946. Today is the Feast Day of Saints Adrian and Eubulus, St Eusebius of Cremona, St Gerasmus, St John Joseph of the Cross, St Kieran of Saighir, St Phocas of Antioch, St Piran and St Virgil of Arles.

Lectures

Highgate Library and Scientific Institution, London N6: Will Hutton, "The State We're in: the political economy in the mid-90s", 7.45pm. Exeter University (Boudry Memorial Lecture): Mr Terence Copley, "The Butler's Dream: the 1944 Education Act and religious education", 5.15pm.

Gresham College, Barnard's Inn Hall, London EC1: Professor Peter Hennessy, "Shadow and Substance: premiership for the 21st century", 1pm. RIBA Architecture Centre, London W1: John Winter, "A Modern Architect in an Old Country", 6.30pm.

Canning House

The Earl of Limerick, President of the Canning Society, was the host at a talk given yesterday evening at Canning House, London SW1, given by Mr Kenneth Clarke MP, Chancellor of the Exchequer, about his recent mission to Latin America.

Royal Over-Seas League

Dr Martin Angel, of the Southampton Oceanographic Centre, was the guest speaker at a meeting of the Royal Over-Seas League discussion circle held yesterday evening at Over-Seas House, St James's, London SW1. His subject was "Can the Deep Ocean be Used Safely for Waste Disposal?" Mrs Matri Radcliff presided.

Lord-Lieutenants

The Prime Minister has announced that, as a result of the changes in local government organisation, the following arrangements will come into effect on 1 April in the former

counties of Avon, Cleveland and Humberside.

AVON: Mr Jay Uddams will become the new Lord-Lieutenant of the new county of Bristol; Sir John Wills, Lord-Lieutenant of South-east, will cover the unitary authorities of Middlesbrough, Redcar and Cleveland and Stockton-on-Tees (north of the River Tees), previously in Cleveland, become part of the new ceremonial county of North Yorkshire; Sir Miles Winkley will continue as Lord-Lieutenant of the whole of the county of North Yorkshire, including the new unitary authority of York; Mr David Goss, at Lord-Lieutenant of Durham, will cover the unitary authorities of Hartlepool and Stockton-on-Tees (south of the River Tees) within the new ceremonial county of Durham.

HUMBERSIDE: Mr Richard Marriott will become the Lord-Lieutenant of the new county of the East Riding of Yorkshire, covering the unitary authorities of Kingston-upon-Hull and the East Riding of Yorkshire; Mrs Bridget Crampton-Eves, at Lord-Lieutenant of Lincolnshire, will cover the unitary ceremonial county of Lincolnshire.

ROYAL ENGAGEMENTS

The Duke of Edinburgh, Patron of the Royal Society, chairs a meeting of the Project Board of Patron at Buckingham Palace and attends a luncheon at the Royal Society, London SW1. The Princess Royal, Patron, visits the Home Farm Trust's home in Folkestone, Kent; on Patrons, Seamus, the National Deafblind and Rubella Association, via St Mary's in Ramsgate, Kent; and as President, REDR - Registered Engineers for Disaster Relief, attends a Working Dinner at the Institution of Civil Engineers, London SW1. Princess Alexandra, Patron, attends a reception to mark the 50th Anniversary of the formation of the Royal Society for Mental Health at St James's Palace. The Duke of Gloucester opens Princess Alice Court at Derby University and opens the refurbished school at the Eagle School, Salford, Lancashire. The Duchess of Gloucester, Patron, visits the 1966 Christmas Carol Competition at 14 Eldon Street, London SW0. The Duke of Kent, Vice-Chairman of British Overseas Trade Board, visits T.R. Bennett, Uddfield, West Sussex and SERC Employee Support Unit, West Sussex. The Duchess of Kent opens the new Children's Hospice Care Unit, Epsom, Surrey. The Duke of Kent, Vice-Chairman of British Overseas Trade Board, visits T.R. Bennett, Uddfield, West Sussex and SERC Employee Support Unit, West Sussex. The Duchess of Kent opens the new Children's Hospice Care Unit, Epsom, Surrey. The Duke of Kent, Vice-Chairman of British Overseas Trade Board, visits T.R. Bennett, Uddfield, West Sussex and SERC Employee Support Unit, West Sussex. The Duchess of Kent opens the new Children's Hospice Care Unit, Epsom, Surrey.

Changing of the Guard
The Household Cavalry, Her Majesty's Regiment of the Life Guards, will change the Queen's Life Guard at Buckingham Palace, 11am.

news analysis



1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996

Watch out, the Roundheads are back

Republicanism is again fashionable among the chattering classes but could it threaten the monarchy? Jack O'Sullivan reports

British politicians – at least those who are serious about winning power – are terrified of republicanism. They stoutly support democracy and defend their rights against the predations of Brussels. Even the Labour Party, which has carried the standard of parliamentary supremacy against all comers over the Scott report, are like lambs when it comes to abolishing the monarchy. The issue is still off the agenda, not even open to debate.

So Tony Blair, the Labour leader, has silenced Ron Davies, Labour's spokesman on Wales, for making known his republicanism in general and his distaste for the Prince of Wales in particular. Even though much of the country is obsessed with the inadequacies of the Royal Family, Mr Blair has stifled public discussion of the issue by Labour top brass.

Republican sympathies were not always so suppressed by our leaders. After all, Oliver Cromwell, born nearly four centuries ago, gave Western Europe one of its first republics and ruled England without a king for 11 years. By the end of the 18th century, Thomas Paine, the radical philosopher, was convinced a new republic was around the corner, arguing that monarchy "may last a few years more, but cannot long resist the awakened reason and interest of man". How wrong he was.

The royals are still in their palaces and castles (five of each). And it

remains barely conceivable that top politicians would echo Paine's sentiments. Why do we find it so difficult to allow republicanism a serious place in contemporary debate?

The dangers are several. Anyone who attacks the institution of the monarchy risks being seen as cutting out the very heart of Britishness. The Queen's head is on the currency and Her Majesty's Government rules the country. The country's soldiers pledge to die for her. Large sections of the population apparently work for her, from delivering the post to enforcing her justice, to running her prisons.

Think of the calendar. There is no Union day, to celebrate the forging of the British nation by the Act of Union in 1707, which joined Scotland and England. The United States has the Fourth of July, Thanksgiving and Columbus Day. France has Bastille Day. Instead, the national anthem interrupts Radio 4's *Today* programme when the Queen, her mother, the Duke of Edinburgh and Prince Charles have their birthdays. We are meant to feel, in their birthday celebrations, a sense of nationhood.

Monarchy is intimately tied up with British history, in particular its triumphs and its empire. A history that is generally defined in episodes named after the reigning monarch might seem ruptured if the throne was no more. Britain has a further psychological problem with republicanism. It is the creed of nations that have fought Britain – of the French revolutionaries that wrought havoc in Europe, of the American Revolution that led to the breakaway of Britain's greatest colony, of a form of Irish nationalism that has proved so much agitating over nearly two centuries.

Republicanism has other very bad connotations. We suspect republicans do not know how to have fun, for it is a creed associated with Puritanism. Ask any child whom they prefer, the politically correct but uninspiring Roundheads or the dashing frills of the Royal Cavaliers.

All of these factors help to explain why mainstream politicians largely stay clear of republicanism. They do not have a scheme to fill the huge emptiness in national self-confidence that would accompany the demise of the monarchy. So they judge that it would be better to leave the matter well alone.

Government politicians also have an investment in preserving moribund parts of the British constitution. To attempt to abolish the monarchy would mean unpicking much of the rest of the old fabric of the constitution. The House of Lords has been left unreformed for so long partly because, with so little legitimacy, it rarely challenges the House of Commons. That means the majority party can get on with governing. Likewise, the powerlessness of the Queen allows the Government to call on the Crown's wide-ranging executive powers, largely unfettered by an interfering head of state.

Monarchy may seem utterly anachronistic, but still seems extraordinarily natural to most British citizens. To destroy it or attack it, without identifying new compensating ways for the British to express and celebrate their identity would leave a huge gap in society. We may have come to feel ambivalent about the monarchy, but how could we possibly muster any enthusiasm for a party political president or even a celebrity figure such as Richard Branson?

However, the status quo which the political classes have accepted largely unchanged for more than a century is beginning to be questioned. Nearly 17 years of one-party rule has left part of the political establishment – notably sections of the Labour Party – feeling dispossessed and hostile to the establishment. Blair may have slapped down Mr Davies, but it appears he spoke for more of his party than the Labour leader may have first appreciated.

Meanwhile, at a popular level, criticism of the monarchy is growing. Over the past 15 years, opinion

polls have recorded a steady decline in royal ratings. Only one in three people now think that Britain would be worse off without a monarchy, a level of dissatisfaction which few would have forecast in the early Eighties when Royal weddings seemed to have cemented public affection for the institution.

This disillusionment must partly be due to royal scandals. But it is probably also linked to a deeper issue – the inevitable collision of the democratic impulse with authority and aristocracy. The ascendancy of democracy in Britain – first expressed in the Eighties and Nineties by consumerism – is measuring all institutions against rising expectations of performance.

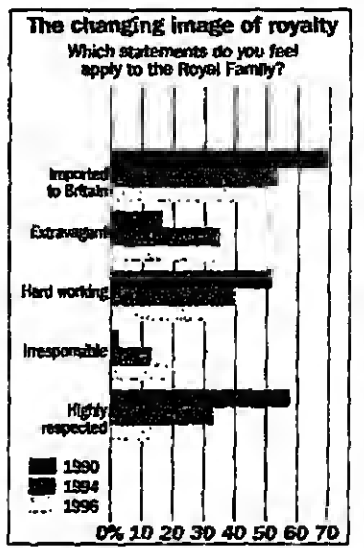
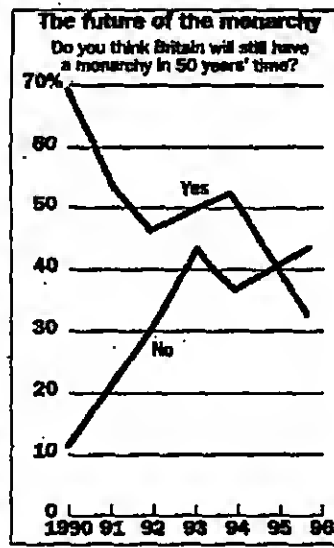
The monarchy is failing these tests. The expensive lifestyle of the Royal Family fascinates, but also appals. Birth might be allowed to confer special privileges if the Royals live up to their role, but when they behave like the Duchess of York, the idea of a birthright to rule is turned into a laughing stock.

It would be easy to exaggerate the depth of the crisis. According to an poll conducted by Mori for the Independent on Sunday, only 17 per cent of people think that Britain would be better off if the monarchy was abolished. And, despite all the recent bad publicity, 41 per cent still think that Prince Charles would make a good king (against 40 per cent who think he would be a bad

choice.) This is a large drop from the 82 per cent who thought in 1991 that he would make a good king, but it is not a disaster by the standards of political polling. Many presidents would be delighted to enjoy an approval rating at half the 73 per cent level that the Queen scores.

Unless popular opinion shifts a great deal more against the monarchy, the House of Windsor should survive, albeit in more cramped financial conditions and with the fracture of Charles and Diana's divorce running through it for at least another generation.

So we are trapped. A common cliché of politics is: if it isn't broken, don't fix it. But that does not mean that if something is broken, it should be repaired. The monarchy clearly falls into that category: it is broken but no one has any idea how to fix it, so it's best left alone in the hope it will sort itself out. The nation is left in limbo, still deeply attached to a symbol that it knows is tarnished. The most likely effect of the resurgence of republicanism would be to force modernising monarchists to come up with a more appealing definition of the role of a family of hereditary rulers in the 21st century. Twenty years ago, Willie Hamilton, the late Labour MP, carved out a career as the sole voice of republicanism in the Commons. It is a measure of the Royal family's failure that what was once eccentric has now become respectable.



DIARY

Two wars, one cup, one clanger

Hopes that this summer's Euro 96 soccer championships will encourage better relations between England and her continental cousins are likely to receive a nasty setback in Manchester. The city is to play host to the German national team, and is honouring their visit with an exhibition at the City Art Gallery.

Nothing wrong with that, of course. But sensitive souls among you will shudder when I tell you that the work of one of the 12 commissioned artists is inspired by the football terrace chant: "One World Cup and two World Wars".

Martin Vincent is offering a "photo-work" depicting the football immortalised by the English army captain W.P. Nevill at the Somme, who famously offered a prize to the first of his platoons to kick it into the enemy trenches, before being killed.

How does Mr Vincent account for such provocative work?

"Football is the main site of cultural exchange," he says blithely, seeming to

forget that it is also the main site for nationalistic exchange of the ugliest variety (with England boasting probably the worst reputation in the world for such excess into the bargain).

"If you ask most people what they know about Germany, they'll tell you we had two wars with them, and beat them in the World Cup final," continues Vincent, who for obvious reasons does not involve himself in European politics.

The exhibition is still awaiting official backing from Euro 96. Its bid may not receive much support from the local team. Manchester City Football Club fields no less than three German players.

Pregnant pause at Dartington Hall

It should be no surprise that Lord Young of Dartington is, once again, becoming a father at the age of 80. I have evidence to prove it.

A copy of Lord Young's schoolboy recollections, *Elmhurst of Dartington*, has landed on my desk. In one part,

Lord Young writes the following of Dartington Hall's first headmaster, Mr Curry: "Curry was proud of the fact that at Dartington there were hardly any pregnancies amongst Dartington girls and seldom any pornographic drawings or writings on the walls of lavatories or anywhere else."

So far, so good. But then Lord Young adds a further paragraph, into which you may read what you will: "He was fortunate in the paucity of pregnancies. It was not for want of trying..."

Shoppers shocked at the supermarket

The motto "Shop till you drop" has taken on a whole new meaning in the Lake District. Customers of Booths supermarket in Windermere have been blown back several paces after receiving electric shocks from their trolleys, which are unable to earth the static electricity in their wheels on account of a new rubber-backed floor being laid on the premises.

Unsurprisingly, the Preston-based

chain is having to call in the manufacturers and change the 1,000 wheels on its 250 trolleys pronto. The store manager, Eric McCabe, who was himself one of the trolley victims, said reassuringly yesterday: "No one is going to die... however, it is all very unsatisfactory. The only shocks our customers should receive are because of our very low prices."

He was not shocked sufficiently, it would appear, to lose his sense of humour.

Cows in, cans out, but look on the bright side

The music on telephone exchanges has become the Muzak of business life, but it usually hits a note far more incongruous than appropriate. Not so at Great Harwood Food Products, a meat processing company in Lancashire.

As one is put on hold, dreaming idly of poor cows going in one end, cans coming out the other, one is somewhat taken aback to hear "Always Look on the Bright Side of Life" from Monty Python's *Life of Brian*.

Those with good memories will recall that the song is sung by those waiting extinction at the end of the film. I can only presume that somebody at Great Harwood has a macabre sense of humour.

Who do you think you are, journalists?

John Major is obviously not prepared to live dangerously during his trip round Asia. Yesterday, journalists were told that today's press conference in Seoul would consist of two questions only, one from a Korean, and one from the BBC's Robin Oakley. Anybody else would have to stay stumped...

CUT YOUR HOME CONTENTS INSURANCE, EVEN IN TOWN.

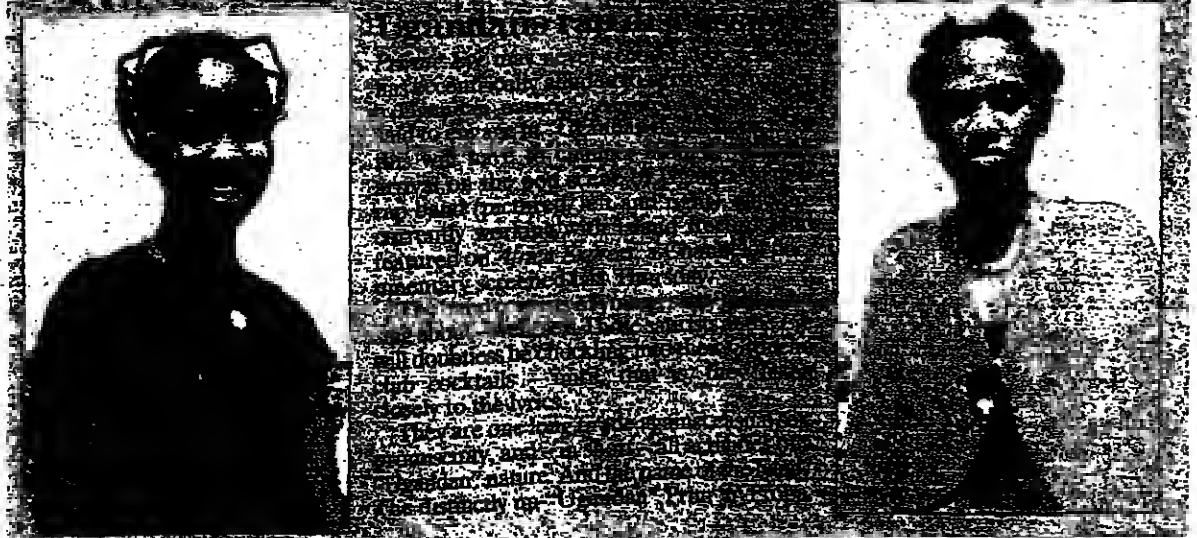
Living in a town or city can mean expensive insurance. But not always. For a more competitive quote, call us on the number below.

GA
General Accident Direct

FOR BUILDINGS & CONTENTS INSURANCE
FREEPHONE 0800 121 004
PAY BY INSTALMENTS INTEREST FREE

MOTOR*0800 121 000
REDUNDANCY & SICKNESS 0800 121 008 • TRAVEL 0800 121 007

Weekdays 8am - 8pm, Sat 9am - 2pm.
*Written details on request. General Accident Direct, FREEPOST, Hamilton ML3 1BR.



Kvaerner buys Trafalgar for £904m

RUSSELL HOTTEN

Norwegian engineering group Kvaerner yesterday reached a £904m agreed takeover of Trafalgar House, whose luxury Cunard shipping line is likely to be sold as part of a £750m disposal plan.

Kvaerner's bid of 50p per ordinary share, and 80p for the preference shares brings to an end Hongkong Land's disastrous five-year investment in Trafalgar which has cost it several hundred million pounds.

Hongkong Land, owned by the Jardine Matheson empire, has agreed to sell its 25 per cent stake, a move which will be influential

when other shareholders consider whether to accept the offer.

Hongkong Land will receive £224m under the deal, but analysts believe its investment has cost it at least double that figure, including backing two rights issues in recent years.

Simon Keswick, chairman of Trafalgar, said: "The offer by Kvaerner for Trafalgar House represents an excellent opportunity for realising value for Trafalgar House's shareholders."

Kvaerner's president and chief executive Erik Tonseth said the deal would be partly funded by a disposal programme of non-

core assets. About £250m worth of sales have already been signed by Trafalgar, including the Ritz hotel and housebuilder Ideal Homes, and Mr Tonseth estimates the remaining assets will fetch another £750m.

Cunard, pride of Britain's merchant and owner of the QE2, is almost certain to be sold. Mr Tonseth said: "In my opinion, Cunard falls outside our core criteria and we will address it accordingly."

Cunard, which last September had a book value in the Trafalgar accounts of £294m, is now thought to be worth little more than £200m. P&O, Walt Disney, and Carnival Cruises

are among some of the liner operators talking to Kvaerner about buying Cunard, which was last year hit by a row when it set-sea before completing a re-fit.

Kvaerner, is also likely to sell its stake in British construction company Amec, which was built up during an abortive £300m takeover attempt last year, and possibly Trafalgar's remaining US housebuilding interests.

Kvaerner said it was not under pressure for fire sales. Mr Tonseth said it would take until at least 1997/98 to restore Trafalgar to satisfactory profitability. The troubled UK company made a 1995 pre-tax loss

of £321m and has debts of £229m.

Kvaerner wants to internationalise its oil and gas operations, particularly in Asia, and was keen to take over a company with strong project management experience.

Mr Tonseth said: "We believe that the skills and technologies of Trafalgar House and Kvaerner will substantially enhance the prospects for the combined businesses and will create one of the most powerful engineering companies outside the US."

Kvaerner only has a market capitalisation of £900m, but it is Europe's largest shipbuilder and

a major offshore oil industry engineering company.

Mr Tonseth has made little secret of the fact he is only interested in Trafalgar's core engineering and construction businesses, including Davy and John Brown.

He had originally begun negotiations for these businesses, but Trafalgar said it would only accept a bid for the whole company. Mr Tonseth said: "Sometimes when you want to go somewhere, you have to make a detour and in a way we are making a detour."

The Jardine group had targeted Trafalgar as a way to reduce its exposure to Hong Kong and

the commercial threats from the Chinese takeover. Hongkong Land said it planned to use the funds raised from its stake in Trafalgar on Asian investments.

Mr Tonseth said the takeover will cause few job losses and will result in a shift in Kvaerner's centre of gravity from Norway to London, though the group's HQ will remain in Oslo. Kvaerner had already moved its subsea operations to the UK.

He said: "If this acquisition goes through we will have a very substantial presence in the UK and this will have an impact on the way Kvaerner carries out its operations."

A tough choice for the colony company

TOM STEVENSON
City Editor

Hongkong Land's decision to accept Kvaerner's offer for its 25 per cent stake in Trafalgar House was not taken lightly. Involving a £100m loss, the disposal represents the latest in a long line of strategic failures by its ultimate parent, Jardine Matheson, which has been trying to diversify out of the colony for 25 years.

Henry Keswick, Jardine's chairman, is renowned for his virulent hatred of what he himself once described as China's "Marxist-Leninist, dogmatic, oppressive" regime. But his dislike of what Hong Kong has in store for next July is matched only by his inability since the early 1970s to reduce the family company's dependence on the colony.

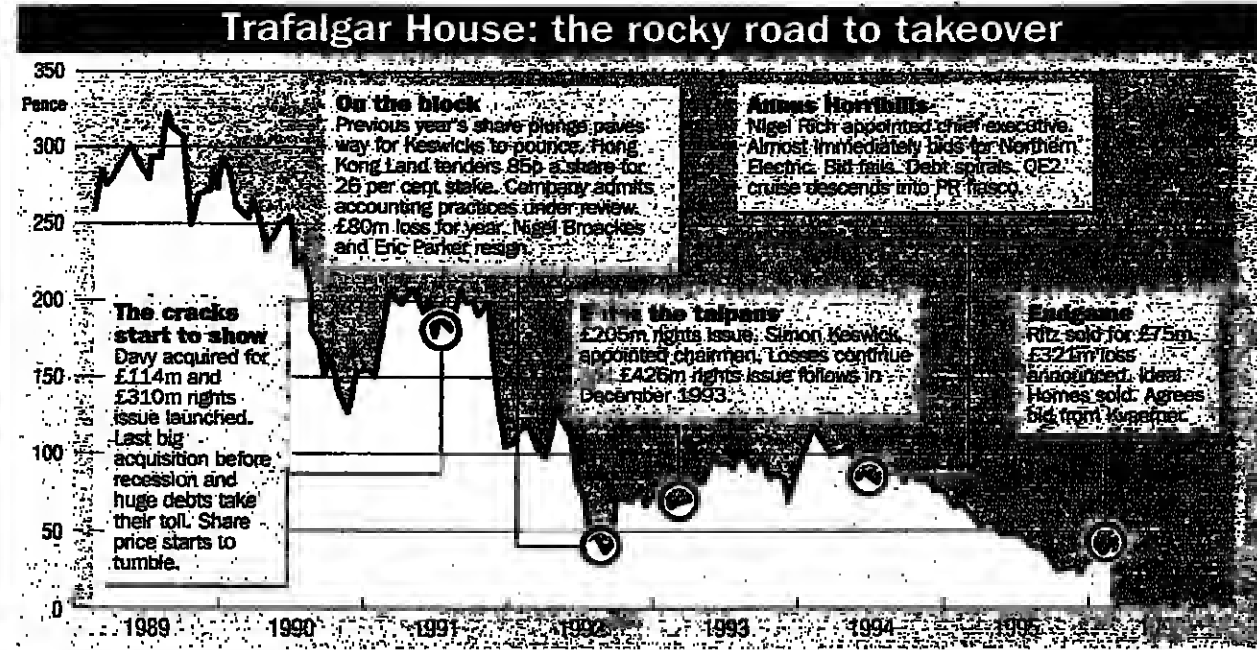
The swoop on Trafalgar's shares in October 1992 was an audacious move to take advantage of a dramatic plunge in the value of one of Britain's once-greatest conglomerates. The Keswicks hoped it would be a cheap toehold in a British-based but international construction and engineering group. It had the added bonus of some high-profile trophy assets such as London's Ritz hotel and the QE2 cruise liner.

The decline of Trafalgar in recent years was a shocking slap in the face for that strategy but it was not the Keswicks' first taste of failure. In the late 1980s Jardine acquired Kwik Save, the UK discount grocer that has since underperformed the market by a wide margin. It has also made poor investments in Spain. By 1994, more than half of group profits still came from Hong Kong.

Ironically evidence of a rapprochement with the Chinese authorities might mean the imperative to shift assets out of the colony has lessened.



Plain sailing: Erik Tonseth, Kvaerner's chief executive (left), and Nigel Rich, his Trafalgar House counterpart yesterday. Photograph: Jane Baker



Cunard sets a steady course for the marketplace

Cunard charted some rough seas last year but it remains the pride of Britain's merchant fleet - which is why several potential buyers are currently running their slide rules over the operation, writes Russell Hotten.

The public relations nightmare that followed the QE2's

re-fit continues to haunt Cunard financially, but Kvaerner is already thought to be in discussions about offloading the business.

Among the potential purchasers are Lord Sterling's P&O shipping line, US cruise operations Carnival and Royal Caribbean, and the Walt Disney

group, which has already moved into the liner market.

Cunard made a loss of £134m last year, although its book value in the last Trafalgar accounts was put at £294m after a £79m write-down in assets. Trafalgar had embarked on a large reorganisation of Cunard, investing some £200m over the

past two years. But Trafalgar said yesterday it did not expect Cunard to return to profit for at least two years. Demand on the fleet of eight passenger ships, which also includes the prestigious Royal Viking Sun, has slowed as the slump that hit the cruise industry in 1995 looks like continuing into 1996.

Cunard was particularly badly hit because of underinvestment in its ageing fleet, which is less efficient and less well organised on board than the modern vessels. The QE2 is said to be 30 per cent more expensive to run than P&O's Oriana. But analysts feel that cruise operators with deeper pockets

than Trafalgar (or Kvaerner) will be able to turn Cunard around as long as the crucial North American market continues to grow steadily.

Excluding the disposals already announced by Trafalgar, Kvaerner is expected to raise £750m from selling off businesses, of which Cunard will be

the biggest. But the Norwegian company, the biggest builder of cruise ships in the world, knows something about the passenger liner market and will not feel the need to embark on a fire sale. One Kvaerner source said: "Cunard is not part of our core strategy. But neither do we feel under pressure to sell."

Front line: The booming industry is set to move into a vast area of new technology.

Cable prepares to turn interactive

MATHEW HORSMAN
Media Editor

The cable industry is gearing up for a large investment in interactive media, following selective testing of new technology in franchises around Britain.

The cable operators, including market leaders Telewest and Nynex CableComs, are exploring the potential of so-called "cable modems" that allow high-speed interactive services such as home shopping, home banking and Internet connections.

Cable lines, which are mainly fibre-optic, can speed up the exchange of data compared with traditional copper wire, according to experts.

Nynex is running trials of modems in Bromley, Kent, and expects to be able to introduce a high-speed service throughout its network by as early as next year. Telewest's parent company, the media giant TCI, has launched trials in Baltimore, Maryland, and intends to

set up separate tests in the UK within a few months.

"Our advantage is that cable is not just about the modem but about the broadband network," Adam Slinger, chief executive of TCI International, said.

Bell Cablemedia is working with Telewest and Nynex on a test in Surbiton, Surrey, which will help the companies develop a video-on-demand technology.

According to cable experts,

the operators are looking at three different options to deliver Internet and other interactive services to homes and businesses. The first is to use existing technology, which allows a limited degree of two-way communication. The second is to furnish subscribers with an add-on box to supplement the existing equipment. The most expensive, but most effective option would be to replace existing boxes with cable modems.

The push to introduce cutting-edge technology is driven by cable's indifferent performance in the UK market. As General Cable's results, announced yesterday, suggest, the industry has struggled to win customers in the crucial "build-out" period, during which the main network is being established.

The industry faces competition for both its main products - telephony and television. BT

continues to dominate the market for residential and business telephony, despite cable's sharply lower rates, while BSkyB, the satellite broadcaster, has developed a huge lead over cable television and has sewn up the big contracts for the supply of movies and sport, the main drivers of subscription television. "We have to offer something customers can't get elsewhere," a cable industry spokesman said. "Interactive services are an obvious choice."

To compete, "the industry has to work together," Sir Anthony Cleaver, chairman of General Cable, said. Meanwhile, expectations that the market for pay-TV programming is set to grow were heightened yesterday, with the news that PolyGram, the film and music company, was joining forces with actor Robert Redford's Sundance company and US pay-TV film company Showtime to launch a global version of the Sundance pay-TV channel.



Hays, the distribution and business services group led by Ronnie Frost (above) is set for the acquisition trail. Mr Frost says he is looking at deals of more than £100m in Europe, with France and Germany the main priorities. The company has been seeking to expand its commercial division which includes document

exchange and courier businesses. "In fishing terms, I've had a lot of nibbles but no bites," he said. Mr Frost was speaking as he unveiled another set of upbeat results. Half-year profits rose by 20 per cent to £81m on sales up from £378m to £465m.

Investment Column page 18

Sears sells Millets in streamlining operation

NIGEL COPE

The streamlining of the Sears retail group continued yesterday when it sold Millets, the outdoor retailer, to a management group for around £20m. Sears will book a total loss of £25m on the disposal which involves 163 stores and net assets of

£17m. Millets made a modest, but unspecified profit last year on sales of £60m.

In the last 12 months Sears has now sold half a dozen store formats including Olympus Sports and a raft of shoe chains including Freeman Hardy Willis, Manfield, Trueform, Sartone and Curtiss.

Sears chief executive Liam Strong said: "This completes the disposal of our sports and leisure division and is in line with our strategy of focusing on a smaller number of major retail brands."

The management team that is buying Millets is led by Roy Crosland, the former managing director of Ryman's the sta-

tioners. James Kerr-Muir, the former Kingfisher finance director, will be chairman.

Mr Crosland, who had unsuccessfully for Ryman's last year, said: "We think it is a very interesting opportunity. It is the only sizeable company in the outdoor sector which is a growing market. We are very excited

by it." According to market researchers Mintel, the outdoor goods market grew by 50 per cent between 1990-95.

Mr Crosland says there will be no shop closures or redundancies. He plans to concentrate Millets more on outdoor clothing, less on leisurewear. The management team is being

backed by venture capital group 3i and has raised £22.5m for the deal which includes a sum for working capital.

The first branch of Millets opened in 1894 but much later achieved a nationwide presence. Sears acquired the chain in 1986. Sears shares were unchanged yesterday at 95.5p.

PowerGen leads group to buy Australian plant

MARY FAGAN
Industrial Correspondent

PowerGen has embarked on one of its biggest overseas acquisitions to date as leader of a consortium buying a Aus\$2.4bn (£1.1bn) generating plant and coal mine in Australia. The company's own equity stake in Yallourn Energy, which is project-financed, is £208m.

The move underlines PowerGen's continued drive overseas in spite of its ambitions to become a vertically integrated power company in the UK. The Australian operation, 100 miles from Melbourne, includes a 1,450MW generating complex and a mine with brown coal reserves.

PowerGen's stake in the Australian project is 49 per cent. The partners include Itochi, a Japanese trading house, and three leading Australian institutions. Yallourn is the first big generating company to be sold in the privatisation of the

industry in the state of Victoria. PowerGen is already involved in building and operating a gas-fired power station in Portugal and in a combined generating and coal-mining scheme in Germany.

PowerGen's Australian acquisition comes amid increasingly fierce competition in the home generation market. The soon-to-be-privatised nuclear industry has taken a surprising amount of market share in recent years and there has been growing pressure from independent companies building new combined-cycle gas turbine plants.

Recently British Gas announced its intention to enter the generating business with the 750MW Seabank power station at Avonmouth. PowerGen has been further squeezed by demands from the regulator, Professor Stephen Littlechild, that both generators dispose of substantial power station capacity to enable more competition in the marketplace.

STOCK MARKETS					
Index	Close	Day's change	Change (%)	1995/96 High	1995/96 Low
FTSE 100	3768.80	+15.90	+0.4	3781.30	2954.20
FTSE 250	4244.90	+8.50	+0.2	4244.90	3070.80
FTSE 350	1982.10	+7.10	+0.4	1982.10	1482.40
FT Small Cap	2063.37	+5.26	+0.3	2063.37	1675.61
FT All Share	1956.83	+8.30	+0.4	1956.83	1469.23
New York	5962.88	+45.92	+0.8	5962.88	3852.09
Tokyo	20065.88	-104.75	-0.5	21113.30	14465.40
Hong Kong	11284.05	+59.11	+0.5	11284.05	6967.83
Frankfurt	2487.99	-12.23	-0.5	2501.22	1910.96

Source: FT Information

INTEREST RATES					
Short sterling*	UK medium gilt*	US long bond			
3 months	6.12	7.77	8.56	7.91	8.55
6 months	5.75	5.22	5.96	7.42	6.37
1 year	5.25	4.75	5.22	4.21	
2 years	5.25	5.31	6.29	7.35	7.09

BOND YIELDS*					
Index	1 Month	1 Year	Medium Bond (%)	Long Bond	(%) Year Ago
UK	6.12	6.03	7.77	8.56	7.91
US	5.75	5.22	5.96	7.42	6.37
Japan	0.50	0.75	3.22	4.21	
Germany	3.25	5.31	6.29	7.35	7.09

MAIN PRICE CHANGES					
Rises	Falls	Price (p)	Change (p)	% Change	
Trafalgar House	48.3	3.5	7.9		
ML Laboratories	419	15	3.7		
Unilever	282	9	3.7		
Redrow Group	140	9	6.0		
Danks Business	685	21	3.0		
Case Bros Group	379	11	2.8		

CURRENCIES					
£/\$	£/DM	£/¥			
Yesterday	Yesterday	Yesterday	Change	Year Ago	
\$ (London)	1.5282	-0.02c	1.6412		
\$ (NY)	1.5290	+0.20c	1.6285		
DM (London)	2.2553	-0.05c	2.2923		
¥ (London)	160.675	-10.50p	152.492		
£ Index	83.5	-0.9	87.7		

OTHER INDICATORS					
Yesterday	Day's change	Year Ago			
Oil Brent \$	17.76	-0.3	16.85		
Gold \$	393.8	-4.5	378.4		
Gold £	257.69	-2.9	230.640		
Base Rates	-0.25pc	6.75			

Body Shop arrives up the Amazon, paddleless

COMMENT

The Body Shop should never have gone public in the first place. With its environmental stance, the company was always going to struggle to satisfy the conflicting demands of its green credentials and its shareholders.

The whole "will they, won't they" saga of the Roddicks trying to buy back The Body Shop is now looking as messy as the colourful goo available in the company's stores. First, the news that Anita and Gordon were keen to take the company private oozed out badly last year, unsettling investor confidence and putting the Roddicks on the spot. Now the eco-friendly founders have decided against the whole plan as it would increase debts to a level that might affect the growth prospects of the business.

It is a rumour show all round. The Roddicks are left running a public company while they would clearly sooner be running a private firm. Investors, too, are left in limbo. What ever the Roddicks say about a commitment to increasing shareholder value it is now clear that they would sooner be up the Amazon discussing the finer points of tribal remedies for dandruff, or some such. Gordon Roddick, for example, was on a fact-finding trip to Brazil yesterday.

The Roddicks' motives for seeking to take Body Shop private are plain enough. Like Alan Sugar, Richard Branson and Andrew Lloyd Webber before them, here are two entrepreneurs who would prefer to run their own show without the interference of the City. The green issue adds a further complication as the Roddicks do not have *carte blanche* to devote more profits to ecological causes.

The plan has failed because the Roddicks realised that the buy-back would simply mean

swapping one set of City taskmasters for another, arguably harsher, set - in this case, the banks. If times become hard, equity holders cannot call in their capital in a company and must grin and bear it if dividends are cut or vanish. Banks can and sometimes do call in their loans, with disastrous consequences, of course, for the borrowers.

What is abundantly clear is that the Body Shop should never have gone public in the first place. With its environmental stance, the company was always going to struggle to satisfy the conflicting demands of its green credentials and its shareholders. It ended with compromise, and the company finds itself lambasted both by the City for being too green and the green groups for not being green enough. All this has happened while the company's growth has stalled and it faces serious problems in the US. Body Shop is between a rock and a hard place and is likely to stay there until the Roddicks finally manage to do a deal.

Mr Clarke blows his trumpet

Kenneth Clarke, modest as ever, took the opportunity to remind MPs again yesterday that the economy is in pretty good shape, and "facing the most favourable economic circumstances that any of us in this House can remember." Britain has the lowest inflation for a generation, sustainable

growth, lower unemployment, and, *mirabile dictu*, even the start of a housing recovery. Labour's response is to query the strength of the foundations underlying this shining edifice. Has there been enough investment to increase the economy's capacity? Do the new jobs available provide a sense of security and encourage the workforce to improve its skills? How can people be helped from benefits to work?

But there are also some more specific doubts about economic prospects even without raising such fundamental questions. One of the things that could go wrong for Mr Clarke in the short term is an end to the fall in unemployment. Jobless figures lag the business cycle, and could this year start reflecting the slowdown in growth in 1995.

Surveys indicate that manufacturers have already started to cut employment. If it happened, this would certainly reinforce the feel-bad factor and could kick the legs from under the housing market just as it is struggling to its feet.

Another possible danger is faster earnings growth. Pay settlements seem to have stabilised at about 3.5 per cent, but earnings "drift" - bonuses, overtime pay, and profit-related payments - could return after an unusual absence. This would make it harder for the Government to hold the public sector pay bill flat.

Moreover, although it would make the voters feel better, pay increases would be one more influence fuelling higher consumer

spending, along with maturing Tessa's and share windfalls from building society flotations. Mr Clarke wants more consumer spending so the economy reaches his 3 per cent growth target, but not so much that retail price inflation starts to creep up.

On the other hand, there is a risk of recession in manufacturing and a decline in the already weak investment figures. If exports stay weak too, the economy could slow further. The worst consequence of this for the Chancellor would be higher government borrowing, limiting the scope for tax cuts. This is without even mentioning the ultimate danger: that the economy flourishes but still does not persuade voters to return Mr Clarke to Number 11 after the general election.

Work begins for Kvaerner

Sighs of relief can be heard coming from the boardrooms of Trafalgar House and Kvaerner. Nigel Rich, Trafalgar's chief executive, and his associates at Hongkong Land, seem finally to have got an embarrassing corporate disaster off their hands. And Eric Tonseth, Mr Rich's opposite number at Kvaerner, is close to exorcising the ghost of Amoco, the UK contractor he failed to take over after a bruising battle last year.

Kvaerner had been courting Trafalgar House long before it approached Amoco, and there is little doubt that the Norwegian com-

pany had done its homework before the announcement of the agreed deal. Nevertheless, there is still a feeling that Kvaerner has not got quite what it hoped for. Its attempts to forge an understanding with Trafalgar before now have always foundered on whether Kvaerner should take on the Cunard line and other hits it did not want.

But Kvaerner was desperate to get hold of a project management and construction company that could expand its world-wide oil and gas contracting business, especially in Asia. So, having failed to get Amoco, Mr Tonseth bowed to Trafalgar's all-or-nothing request and risked buying the whole company. The Norwegians believe they could raise about £750m from selling off the non-core divisions of Trafalgar. Cunard being the biggest. Cunard's book value last September was £204m, but a lot has happened since then and whether the company is worth as much now is questionable.

Kvaerner prefers to talk about the synergy of the takeover, rather than the break-up value of Trafalgar. But yesterday's deal was driven less by industrial logic than by expediency. Kvaerner, lacking offshore contracts in Norway, stumbled when it came to leading its own larger international offshore contracting projects. With the Trafalgar takeover, Kvaerner has created the world's biggest offshore oil and gas fabrication business. Turning that into something that benefits shareholders is, however, a different and tougher job.

Economy: Promising signs of housing market revival and pick-up in consumer spending unlikely to change timetable, say analysts

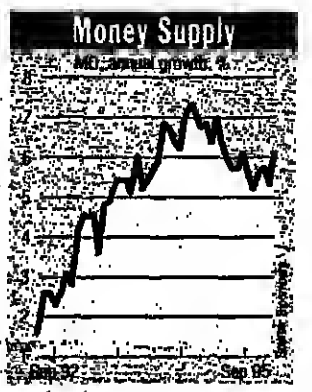
Cut in interest rates still on line

DIANE COYLE
Economics Correspondent

Fresh signs of recovery in the housing market and evidence of a pick-up in consumer spending are unlikely to derail a cut in interest rates later this week, analysts said yesterday. A surge in the growth of the narrow money measure M0 in February suggested that spending might have increased after a quiet start to the year. Last month saw a big increase in narrow money - mainly cash in circulation - according to Bank of England figures. The higher-than-expected 1 per cent jump took M0's annual rate of growth to 6.1 per cent from 5.2 per cent in January.

The annual growth of cash in circulation climbed to 6.4 per cent, the fastest since the end of 1994, following a 0.9 per cent jump during the month. Although the narrow mon-

ey supply tends to be erratic from month to month - as the Treasury pointed out yesterday - the could signal increased spending. "The evidence of liquidity sloshing around the system does not square with the notion that the economy is on its uppers," said Kevin Darlington, an economist at brokers Hoare Govett.



David Owen, at Kleinwort Benson, said: "The figures do confirm that the economy was stronger in February." A CBI survey of the distributive trades due on Thursday will give a clearer indication of high street spending last month.

Mr Owen said maturing Tessa might already be playing a part in boosting spending. About £20bn-worth mature

this year, plus around £6bn in interest, heavily skewed towards the first quarter. According to recent figures, retail deposits with banks and building societies fell by more than £2bn in January, mainly due to Tessa withdrawals.

City analysts do not expect the buoyant money figures to stand in the way of the widely anticipated quarter-point re-

duction in base rates to 6 per cent. M0 has been growing faster than its 0.4 per cent monitoring range for more than three years without arousing alarm. Factors such as low interest rates, meaning there is little lost interest cost to holding cash, Lottery mania, and higher numbers of tourists have been taken as explanations for rapid growth in the use of cash.

Other recent figures have shown that manufacturing industry is stagnating and inflation declining. Most forecasts of the economy point to further falls in the Government's target measure of inflation. "The money supply is just one piece of the jigsaw. It will not make any difference to what the Chancellor decides on Thursday," said Ian Shepherdson at HSBC Markets.

However, Simon Briscoe, an economist at Nikko Europe, said: "Signs of consumer strength will lead to talk that this week's rate cut will be the last for some months."

Chancellor Kenneth Clarke and Eddie George, Governor of the Bank of England, held their monthly meeting on Thursday afternoon. The Bank is expected to introduce the lower rate either late on Thursday or on Friday morning.



Man with the plan: Eddie George is expected to introduce a rate cut on either Thursday or Friday

Fresh signs of housing revival

There was new evidence of the beginning of a recovery in the housing market from Halifax building society yesterday, writes Diane Coyle. It reported a 0.9 per cent increase in house prices last month. This was the seventh successive rise and the biggest for two years.

Prices, averaging just under £62,000, were 0.2 per cent above their level a year earlier. It was

the first time since January 1995 that their annual rate of growth has been positive.

This follows a 1.4 per cent February increase in Nationwide's more volatile price index, published on Friday. It put the year-on-year increase at 0.9 per cent.

Halifax said: "The latest figure gives further support to our view that a recovery is now tak-

ing place." Experience at Halifax Estate Agencies also indicated that a recovery had started.

Halifax predicts a 2 per cent average price rise during 1996 and a 10 per cent increase in the number of housing transactions. The number of loans approved, a leading indicator of transactions, turned up in January.

Nuclear expenses sparks row

MARY FAGAN
Industrial Correspondent

A political row has erupted over the fund to be set up to cover future nuclear decommissioning costs in the soon-to-be-privatised industry. It has emerged that the annual payments made by British Energy, the company running the nation's most modern reactors, will be only £15m - up to 50 per cent less than originally envisaged by the Government.

John Battle, shadow energy spokesman, yesterday attacked the Government for playing a "sleight of hand game" with the privatisation at the expense of

the public and said he would be demanding an immediate explanation from ministers.

"They are fattening the company up to make it a more attractive prospect for investors at the expense of taxpayers."

"What I fear is that in five years time the Public Accounts Committee will condemn this as having been a shabby deal for the public but by then it will be too late," he said.

Mike Kirwan, British Energy's finance director, said that the "surprisingly small" annual payments can be explained by lower decommissioning costs and the Government actuaries' view of what an

investment portfolio should achieve. The amount put into the so-called segregated fund will be to cover costs stretching out over many years.

The debate over the £2.5bn privatisation took a further twist when John Robb, British Energy's chairman, said he was in favour of share option schemes for directors and employees in spite of the recent rows over "fat cats" in private utilities.

He said: "I am talking about pushing them right down the management chain."

Mr Robb said that although no decisions have been taken "I have always found them a rea-

sonable way of rewarding and motivating senior management". He said that in a company such as British Energy, they could be awarded to those earning £20,000 to £30,000 per year and above.

British Energy is still locked in battle with the Government over the financial structure of the company once it is sold, including the level of debt it will carry, the expected profitability and the value of the assets. Mr Robb said: "The Government has an obligation to maximise sales value to taxpayers. The board is in a different position. We also have an obligation to the new owners."

British Gas hits tough times in South America

HUGH O'SHAUGHNESSY
Santiago

British Gas's multi-billion-pound plans for expansion in Latin America are under severe pressure as its projects in Chile and Argentina are buffeted by competition and those in Bolivia, Brazil and Colombia by political and commercial uncertainties.

British Gas has been working with a US partner Tenneco on the \$865m TransGas scheme to bring gas across the Andes from Argentina, Patagonia to southern Chile and eventually to Santiago. The city of five million people is the capital of a country whose economy grew at around 8 per cent last year and where explosive economic growth is expected to lead to a doubling of electricity generation within the next 10 years.

Although the pipeline plans were well known last year no important construction work has started on the line and British Gas has not announced any deals with potential customers in Chile.

Building began last October on a much shorter \$284m rival line, GasAndes, from the Argentine city of Mendoza, directly across the mountains

from Santiago. It should be finished in May 1997, possibly before the British Gas/Tenneco line arrives and will provoke stiff competition and much-reduced prices.

GasAndes is a joint venture between Chilgener, a Chilean power company, the Nova Corporation of Canada and other companies and has already announced initial deals to supply four gas-fired generation plants near the capital.

"I think GasAndes has stolen a big march on TransGas and I don't know if they will be able to catch up," said one leading Chilean banker here yesterday.

George Ferguson, local British Gas manager, told the *Independent* that contracts would soon be announced and that the TransGas line could be built faster than the rival line as TransGas goes over lower mountain gores. He also cast doubt on GasAndes's ability to provide the assured volumes that he claimed his project could provide. "TransGas plans to sell 90 billion cubic metres of gas over 25 years," he said.

He rejected reports there that British Gas will accept operating a loss-making operation in Chile to secure its place in the region.

Masters degree programmes

London Business School's international masters degree programmes are career oriented and practical, while maintaining high standards of rigour and scholarship.

■ Our full-time MBA and Executive MBA Programmes emphasise implementation and internationalisation. Projects, fieldwork, consulting assignments, an international exchange programme, plus a choice from over 70 elective courses are key features of this unique programme.

The day-release format of the part-time Executive MBA ensures that not only will you be able to benefit from the programme straight-away, so will your employer.

■ Our specialist Masters in Finance is designed for those already pursuing, or planning to pursue, careers in business or the financial services industry.

The Masters in Finance is taught by the School's world renowned finance faculty and can be completed in nine months, on a full-time basis, or over two years of part-time, mainly evening, attendance.

Full-time and Executive MBA information sessions will be held at London Business School on the following dates: 14th March, 17th April, 15th May, 16th June, 12th June and 13th June 1996.

Please attach a business card or write in block capitals to: Tim York, Information Officer, London Business School, Sussex Place, Regent's Park, London NW1 4SA, UK. Telephone: +44 (0)171 706 6859 or +44 (0)171 262 5050; Fax: +44 (0)171 724 7875; e-mail: mba-info@lbs.london.ac.uk

Please tick to indicate the programme(s) about which you would like further information:

☐ Full-time MBA ☐ Full-time Masters in Finance ☐ Sloan Masters Programme
☐ Executive MBA ☐ Part-time Masters in Finance ☐ International Executive Masters Programme

Name: _____ Job Title: _____
Company: _____ Address: _____
Postcode: _____
Telephone: _____ Facsimile: _____
LNU 551

London Business School exists to advance learning and research in business and management.

London
Business
School

IN BRIEF

Swab abandons doorstep selling

South Western Electricity's gas marketing arm has agreed to abandon doorstep selling under pressure from the local trading standards authorities. An investigation into alleged aggressive selling techniques began after complaints to the Gas Consumers Council. There were fears in the industry that the issue would overcloud the opening of the domestic gas market in the south west in April this year. Ian Powe, director of the GCC, yesterday called on all suppliers to think twice about mounting a doorstep campaign.

Downbeat forecast from Brussels

The European Commission will publish new, gloomier economic forecasts tomorrow. Economic affairs commissioner Yves-Thibault de Silguy told Euro MPs yesterday that the Commission's growth forecast for 1996 had been revised down to 2 per cent from the 2.6 per cent prediction it published in November. Although the report will not explicitly assess how individual countries are faring in their efforts to meet the Maastricht targets for government deficits and debt, the weaker forecast will be taken as casting more doubt on the ability of some members to qualify for the single currency on time.

IBM buys Data Sciences

IBM has bought Data Sciences for £95m just a fortnight before the company was due to float on the London Stock Exchange with a price tag of around £80m through a placing arranged by James Capel. The Farnborough-based computer services group was a £67m management buyout from Thorn EMI in July 1991. It has 1,700 employees in the UK, Netherlands and Germany.

US consumer spending slips

US consumer spending dropped unexpectedly by 0.5 per cent in January, the biggest decline since August 1992. Economists blamed winter storms and the Federal Government shutdown, and predicted a February rebound. Personal income rose by 0.1 per cent, taking the savings rate to 5.3 per cent.

Official reserves rise by \$51m

The overall level of the UK's official reserves rose by \$51m in February, bringing the end February reserves to \$44.95bn (£29.36bn) compared with \$44.9bn (£29.72bn) at the end of January. But the underlying change in the reserves was a fall of \$97m.

THE INVESTMENT COLUMN

Edited by Magnus Grimond

US traumas for healthcare firms

Elastoplast to keyhole surgery group Smith & Nephew has worked hard to shift its unfocused conglomerate image and last year it completed its exit from pharmaceuticals and dumped surgeons' gloves, the last of its commodity-type businesses.

But despite all this effort, the City still pigeon-holes Smith in the "sound but dull" sector of the market. Yesterday's results only confirmed that view. The market clipped 0.5p from the share price to 188p after underlying pre-tax profits advanced an unexciting 5 per cent to £180m in 1995, after stripping out restructuring costs and disposals from both the last two years. Integration costs of £14.6m wiped out the £8.7m contribution from acquisitions, mainly Acuflex, the surgical instruments business, and Homecraft, a maker of aids for the old and disabled.

But these were respectable results for a year in which medical budgets continued to face downward pressure – selling prices slipped by 0.5 per cent last year – and with the main European and US markets growing at a rather anemic 3 per cent. Overall volume growth of 8 per cent, the best for some time, was boosted by the UK, where the establishment of a unified sales force 18 months ago helped the rate of sales growth more than double to 12 per cent.

Continental Europe, where the same "one company" strategy has been in place for some time, was up a handy 8 per cent. The problems lay in areas exposed to the US market, where healthcare is in the midst of a well-publicised upheaval. The impact of so-called healthcare management operations on big pharmaceutical groups is being paralleled in Smith's case by the concentration of hospital groups, notably the merger of Columbia and Hospital Corporation of America which created a buying group as big as the NHS.

The increased power of customers hit businesses skewed to the US market, namely trauma, endoscopy and orthopaedic implants. Sales growth in these operations failed to come anywhere near the double-digit increases notched up in wound management (Elastoplast and the like) and casting and support. The outlook is for another couple of years with growth held to around 5 per cent in the area.

But even if the US proves to be a relative drag in the short-term, Smith's artificial bone and cartilage products could provide plenty of excitement further out. If current development work is successful, and the chance is around 50 per cent, they could open up markets worth several billion dollars by the next century.

Profits of around £190m this year

No nonsense at JD Wetherspoon

The rise and rise of JD Wetherspoon is a marvellous corporate success story. Founded in 1979 by a Kiwi barrister who liked his local pub so much he bought it, the chain came to the market in 1992 with 44 pubs and has since grown to over 130. Since flotation, the shares have soared from 160p to 743p yesterday, up 21p after the announcement of another strong set of interim profits.

After a 43 per cent rise in sales for the six months to January, pre-tax profits rose by a similar amount to £5.5m, earnings per share were 49 per cent better at 14.8p while the dividend increased by a more sober 13 per cent to 3.1p.

Wetherspoon's success was to see a gap in the market for no-nonsense pubs, with no music, no smoking areas and cheap beer. They were neither overpriced wine bars nor dingy back street boozers and the public lapped

them up. Unlike many of its peers, Wetherspoon did not rely on food sales and the bulk of its profits still come from drinks.

A huge success so far then, but the steep trajectory of the share price has given investors justifiable cause for concern in recent months. Their worries include the enormous cost of maintaining an ambitious opening programme, a declining rate of like-for-like sales growth, the group's depreciation policy and increasing competition from large brewers who are increasingly encroaching on Wetherspoon's niche.

Chairman Tim Martin believes he has an answer for all these concerns. Having secured a new £50m debt facility from his bankers, he reckons the threat of another rights issue has receded. Even if Wetherspoon spends £35m a year for the next five years, which is the plan, the company should not have to come back to shareholders during that period.

Latest figures from new pub openings show that larger, town-centre sites outside London are generating much better weekly sales than some of the older pubs – which should keep sales growth motoring, a change in accounting policy means that depreciation should satisfy even the most prudent shareholders and competition is good for the market as a whole.

On forecast profits of about £12m,

the shares currently trade on a prospective price earnings ratio of 24 times this year's profits, which looks quite high enough. Fundamental measures may, however, not be the best guide to this share's sustainability. If Bass or one of the other big brewer/pub owners decided to swoop they might well be prepared to pay a full price for a company that has consistently delivered the goods. Hold on.

The sun is still shining on Hays

Hays, the distribution and business services group, has proved a remarkably resilient performer since it came to the market in 1989. The shares have quadrupled since and earnings have grown by an average of 16 per cent.

Chairman Ronnie Frost has developed a three-legged structure based on distribution, commercial services such as document delivery and personnel that is clearly working.

The good news continued yesterday with pre-tax profits up 20 per cent to £60.8m in the six months to December and earnings up by 21 per cent. Profits in the distribution division increased by 12 per cent, with volumes with existing customers such as Waitrose and Ford increasing and new contracts signed. One of Hays' strengths is its relatively small exposure to the cut-throat supermarket sector where margins are being squeezed. It only has two supermarket clients – Tesco and Waitrose and so is less exposed than rivals such as Christian Salvesen. The only hiccup was in Europe where the Paris strikes had a limited impact on the delivery business in France. In Germany the market remains difficult.

The commercial division, which includes document exchange and courier services, had a good six months with profits up 20 per cent to £18m. But the star performer was personnel, which specialises in temporary jobs in accountancy and information technology as well as the building professions such as architects and surveyors. Profits there increased by 38 per cent as the company benefited from the trend towards more flexible employment.

The plan is to expand in Europe as the UK accounts for three-quarters of group sales. The company is looking for a sizeable acquisition in France or Germany particularly in commercial services.

Panmure Gordon is forecasting profits of £131m for the full year. With the shares down 6p yesterday to 393p, they are on a forward rating of 18. High but still a good bet for the longer term.

John Willcock CITY DIARY

Lazards gets on the back of a winner

Tally ho! Nicholas Jones, a managing director at Lazards, the merchant bank, is subject to envious comment in the City, and it's nothing to do with mergers and acquisitions. His wife Veronica owns part of a racehorse that has just notched up seven successive victories. Easthorpe is running at the Grand Annual, a two-mile steeplechase at Cheltenham next week. Sounds like a good punt.

The Chancellor, Kenneth Clarke, is losing his right-wing conscience. Yesterday David Ruffley, Mr Clarke's principal special adviser, resigned from the Civil Service after being selected as the prospective parliamentary candidate for Bury St Edmunds, a safe Tory seat. Mr Ruffley, a keen golfer and Manchester United supporter, has served Mr Clarke in various guises since 1991 as a speech writer and political adviser. Last night he said he had never tried to counsel the Chancellor on his infamous rumpiled appearance. "He's very strong-willed when it comes to his suits and shoes," Mr Ruffley said. And how did he think his former master was doing in the Ken versus Eddie fight on interest rates? "City sentiment is that the Chancellor is probably rather a good judge of setting monetary policy," Yes, minister.

Forget prawn sandwiches at the agm, here's a shareholder perk worth having. Man-ganese Bronze Holdings, which makes metal powders and components for the taxi industry, yesterday launched a shareholder discount voucher scheme that will allow investors to get free rides. Shareholders with 200 shares or more (worth about £450) will be entitled to a £5 discount on a journey in its modern, wheelchair-accessible Fairway Taxis. The Fairway was itself launched in 1989 and combines the traditional black cab shape with a modern interior. The drivers in return get £10 in cash to spend at their service agents. Taxi



What on earth is John Archer, managing director of Comtec, doing up this telegraph pole? The Cambridge-based communications products distributor may have just been bought by its management team, but this seems an inadequate excuse for such exuberance. Mr Archer is flanked by Geoff Davies of Lloyds Bank and Glen Fraser of Comtec on his left, and John Buck of Comtec and Andrew Fraser of 3i on his right. Mr Archer said yesterday that Comtec's ability to offer products in "all three transmission media – fibre optic, copper and radio frequency – combined with a high level of technical support places us in a pre-eminent position in the industry." Up a pole.

Ronnie Frost, executive chairman at Hays, the distribution and business services company, has turned the firm's press briefings into a family affair. At last year's final results Mr Frost addressed the press wearing a bright red tie with teddy bears on it, to make, he explained, his daughter Jane's wedding the previous weekend. Yesterday he gave an update. Jane is expecting a new issue in the shape of identical twins. Analysts will get to find out the gender of the twins at the next final. Saves putting announcements in the *Times*, I suppose.

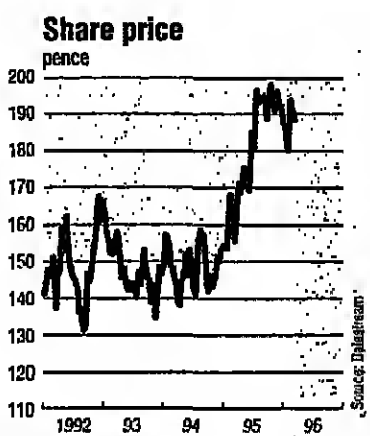
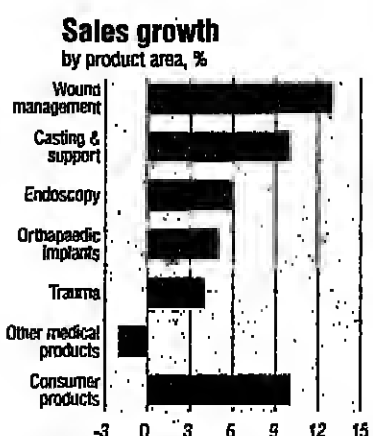
Questionable career moves of our time. Peter Ward resigned of the post of chief executive of

Rolls-Royce in a buff last year to head up Cunard, the ailing Trafalgar House subsidiary, in order to turn it around. What will he do now that Kvaerner plans to flog off Cunard as soon as it buys Trafalgar?

Stirring stuff from Ian Lang, President of the Board of Trade, yesterday as he addressed the Japan Society on the subject of deregulation and prosperity. Mr Lang quipped: "We are not just selling computers and cars to Japan, we are also selling replica 1930s Arsenal shirts, Tudor Cottages and ragworms to Japanese anglers!" The balance of payments is in safe hands.

Five year record

	1991	1992	1993	1994	1995
Turnover (£m)	792	858	949	965	1026
Pre-tax profits (£m)	70.3	155	165	-5.5	177
Operating profit (£m)	4.0	10.2	10.6	-4.96	10.3
Dividends per share (pence)	4.44	4.62	4.91	5.28	5.65



ICI moves into South America

Magnus Grimond

Imperial Chemical Industries is to become South America's leading decorative paints group after agreeing to pay \$390m (£255m) for Bunge Paints. The deal comes just weeks after the UK chemicals group signalled its readiness to step up its acquisitions strategy after revealing a potential £2bn-to-£3bn war chest at the time of its annual results.

The latest deal takes ICI's paint sales close to 1.2 billion litres a year, the first time any company has exceeded 1 billion

litres. Based in Sao Paulo in Brazil, Bunge produced 200 million litres of paint last year, equivalent to the whole of ICI's continental European operations, with a sales value worth over \$400m.

From being hardly represented in the area, ICI will gain leading market positions in the countries comprising the Mercosur countries – Brazil, Argentina, Uruguay and, through a joint venture, Bolivia. Bunge will give it strong brand names such as Coral, Alba and Inca. ICI said.

The British group is paying

\$295m in cash, with the balance of the acquisition represented by the assumption of debt. Bunge had net assets of \$145m in 1994, when it made profits of \$55m. However, profits were lower last year, hit by pressure on margins caused by rising raw material prices and restructuring charges.

ICI chief executive Charles Miller Smith said the Bunge acquisition was exactly in line with the strategy of expanding the paints business in the fastest growing areas of the world. It would provide "a sound platform on which ICI Paints can

build a growing and profitable business in the Latin American region." The impact on ICI's earnings will be neutral in the first year and thereafter it would add to earnings, he said.

The seller is Bunge Group, a private Bermuda-registered agribusiness group with operations mainly in Argentina and Brazil. The deal follows a period of expansion for ICI's paints operation, which acquired Grow Paints and Fuller O'Brien both of the US last summer. The business saw profits dip from £122m to £107m last year and is currently

the subject of a profit improvement programme.

ICI also announced that Hon Chiu Lee, chairman and managing director of Hysan Development Company of Hong Kong, has been appointed non-executive director. Mr Lee is a non-executive of several leading Hong Kong companies including Cathay Pacific Airways, Hang Seng Bank and Sime Darby Hong Kong. He has good connections with mainland China, serving on the consultative council, and his appointment will be seen as part of ICI's attempts to expand in the area.

Recovery lets BBA plan to expand

TOM STEVENSON
City Editor

The recovery, at nappies to brake pads engineer BBA continued last year as the benefits of new chief executive Bob Quarta's efficiency drive shone through. The shares, which have more than tripled in three years, edged ahead by only 6p to 314p, however, with the market already expecting good figures. Mr Quarta said: "1995 was a very successful year for BBA. It was also the year in which BBA shifted decisively from retrenchment to expansion. A year ago we outlined our priorities for 1995: further focus to our activities through disposals and reorganisation; greater operational efficiencies and acquisitions to entrench and expand our positions where we are already strong.

"These priorities have been achieved. Our management focus now is on growth, both organically and through acquisitions."

The signal that more purchases might be in the pipeline accompanied a 41 per cent jump in profit before exceptional items to £118.5m (£84.3m). Having reached its target of double-digit profit margins a year early, the formerly struggling group was able during the year to launch Switzerland's first contested public offer when it made a break up bid for Holvis, owner of the Fiberweb nappy business.

The big jump in profits was achieved despite a 14 per cent decline in sales during the year from £1.38bn to £1.18bn.

BBA has said it wants to grow in Latin America and the Pacific Rim and is expected to focus on electrical and transportation businesses. It is thought to have amassed a £300m war chest.

Cheaper car insurance

Call Admiral now
0800 600 800



media marketing & sales

All the latest news for media, marketing and sales professionals with two pages of new positions on offer

See pages 22 - 23
section two

To book your advertisement call
James Cooper on
0171 293 2301

Every Tuesday in the
THE INDEPENDENT
section two

IN BRIEF

Exceptionals damage Perkins

Heavy exceptional charges have hit profits at Perkins Foods. Profits for the year to December fell from £20m to £4m due to charges relating to the sale of the group's mushroom and shellfish businesses. Further charges were incurred at the German pizza operation where the market remains difficult. The company has been suffering from the over-supply of the European pizza market which has affected sales and margins.

Losses deepen at Cornwell Parker

Rationalisation at the Parker Knoll chair manufacturing division caused losses to deepen at furniture group Cornwell Parker. Losses rose to £3.4m in the six months to January compared with £1.9m last year. However, trading profit increased from £403,000 to £1.7m on sales that were flat at £41m. The dividend was held at 0.3p.

Bristol & West on the rise

Bristol & West, one of Britain's top-10 building societies, reported yesterday an 8.4 per cent rise in 1995 pre-tax earnings to £77m. After taking account of losses from its Hamptons estate agency business, which B & W has now sold, group profit before tax was £38m. The society said it had no plans to change its mutual status, although it has been mentioned as a possible merger candidate. B&W's cost/income ratio fell to 52.9 per cent from 54.8 per cent, largely thanks to the reduction of estate agency branches.

Acquisitions lift BPI

British Polythene Industries revealed that acquisitions lifted profits 31 per cent to £25.1m last year as it announced its thirteenth purchase in as many months. Underlying volumes were flat, with any increase coming from acquired businesses. The building sector was "very quiet", while the dry summer "totally decimated" sales of silage stretch wrapping to farmers. Margins recovered in the second half as raw material prices fell. Costs have risen strongly since December, but demand is in better balance with supply, according to BPI. It is paying £7.5m in cash and shares for Bibby & Baron, a plastic and paper bag maker based in Bury.

EVC buys back shares

EVC International, Europe's largest producer of PVC plastics, is to buy back up to 5 per cent of its shares. The news came as the Amsterdam-quoted group, in which ICI has a 15.8 per cent stake, revealed that profits were almost wiped out in the second half of 1995, hit by a price collapse following the abrupt ending of Chinese imports. For the year, net profit soared to 163.9m guilders, up from a pro forma 86.3m guilders in 1994, on sales up 3 per cent to 2,339m guilders.

Close Brothers powers ahead on volume rise

JOHN EISENHAMMER
Financial Editor

Strong volume growth at sustained profit margins powered a share rise in interim earnings at Close Brothers, the merchant bank specialising in medium-sized companies. The bank said yesterday it will be investing heavily in corporate finance and fund management to build up the third leg of business alongside specialised loan financing and market-making in small and medium-sized stocks.

Profits before tax during the six months ended 31 January 1996 rose by 32 per cent to £21.7m. With had debt provisions up in percentage terms on the same period the previous year, even though at a low level in the cycle, the earnings growth was driven mainly by better volumes.

"The whole loan book grew by 22 per cent last year because the economy is doing well and we have been maintaining margins," said Red Kent, managing director. The interim dividend was increased by 12 per cent to 3.2p net. Earnings per share rose by 15 per cent to 12.64p. "It has been an absolutely splendid performance," Mr Kent said. The results follow on from Close Brothers' £53m rights issue in October, which increased the capital base by 30 per cent.

Michael Morley, chairman, focused on corporate finance as a key area for organic growth. "We see considerable opportunities for expansion of our activities amongst medium-sized UK quoted companies, at a time when many other merchant banks are concentrating on larger companies."



Boom time: Brian Winterlood saw profits virtually double

Profits from market-making by Winterlood Securities, headed by Brian Winterlood, virtually doubled to £7.3m, or 34 per cent of the total.

Costs increased by 1.1 per cent as a percentage of operating income despite the strong investments. Mr Kent said that although the merchant banking sector as a whole was undergoing consolidation, Close Brothers is determined to pursue an independent strategy and was not seeking interest from other firms. Close Brothers shares closed down 11p yesterday at 379p on profit-taking.

Profits from market-making by Winterlood Securities, headed by Brian Winterlood, virtually doubled to £7.3m, or 34 per cent of the total.

Costs increased by 1.1 per cent as a percentage of operating income despite the strong investments. Mr Kent said that although the merchant banking sector as a whole was undergoing consolidation, Close Brothers is determined to pursue an independent strategy and was not seeking interest from other firms. Close Brothers shares closed down 11p yesterday at 379p on profit-taking.

Soothsayers huddle around the calendar to locate the big crash

Wanna know what is going to happen to Wall Street? Here is the answer.

The Dow Jones is going to carry on its present rise to 6,000, which it will reach this spring. Then, during the week beginning Monday, 20 May, there will be a crash; the market will fall by about 15 per cent. The resulting panic will, however, prove a good buying opportunity in June, for a recovery in prices will take place running up to a peak in the first quarter of 1997. Then the long bull market will be over.

If this forecast seems overly brave in its precision let me say quickly that it is not mine, though I do find it extremely plausible. It comes from Robin Griffiths, head of technical analysis at James Capel, in his recent paper on the US market. For people who are not familiar with the term, technical analysis means chartism. This, for the sceptics, means the black-box art of examining charts for patterns that might have some predictive significance: head and shoulders, double bottoms and the like.

The particular chart which Capels note is the one reproduced on the left here, which shows the Dow Jones from its 12-month moving average. They argue that momentum is such that in the near term the Dow will



ECONOMIC VIEW
HAMISH McRAE

indeed race on towards 6,000, but that the scale of the deviation is already such that the risks are akin to those of 1986/87. If the index reaches 6,000 before May, the deviation will be the largest ever.

This has always in the past been followed by some kind of crash. But if that crash (or correction, as analysts like to call it) would still be in the 12-month moving average, the Dow would still be above the 12-month moving average. That scale of a correction would obviously be very disruptive, but chartists would argue that since

good moment to panic? I would add that risk-averse investors might consider hailing out a bit earlier on the grounds that it is always better to panic before other people do.

The fun will not, however, be entirely over. James Capel argues that we are now towards the end of the second phase of a conventional three-wave bull market. After the coming crash, there will be the third leg. By the end of June, there should therefore be an opportunity to buy back in and take advantage of the final fling of the bull market.

Charts are a useful tool when

from charts: things like price-earnings ratios, or a comparison between equity yields and bond yields. But for a second opinion on the health of the market, let's go to another set of black-box merchants, the editors of *The Bank Credit Analyst*, a firm of specialist investment advisers based in Montreal.

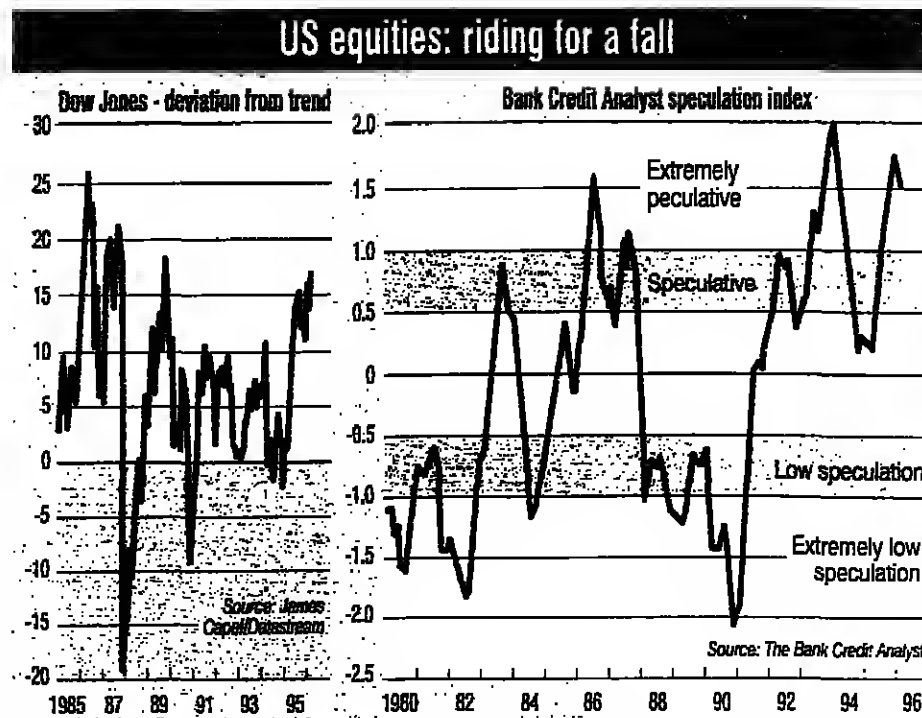
The BCA team base their advice not on the pictures that the charts make but rather on a series of value indicators, with quite a lot of attention paid to monetary data. They were monetarists long before it came into vogue in the 1980s and have remained monetarists since it went out of fashion too. One of their yardsticks for valuing a market is their speculation index, and the movements of this since 1980 are shown in the right-hand graph.

The point here is obvious. On the right-hand graph, we are also in the danger zone, just as we were in 1986 and 1987. Share prices were, however, also in the "extremely speculative" in 1993 and though there was an adjustment, there was nothing like the 1987 crash. Further, the BCA speculation index has been on red alert since the summer of last year, so following too closely its buy/sell signals would mean one would lose out on a very solid bull market.

BCA has, to its credit, been stressing for some months that

although the market is at dangerously high valuations, the bull market is intact and that further rises in share prices are on the cards. It has reckoned that despite this, the risk/reward ratio for investment in US shares is unattractive and has therefore recommended underweight positions.

It takes quite a lot of courage to hail out of bull markets too early. If, however, one takes the very long view of investment it may make sense to do so. The argument here is that it is more important not to lose money in bear markets than it is to catch the maximum gain in bull markets. If you believe this, then following the BCA people is a good long-term common-sense guide to investment.



May, and James Capel deserve all the credit for their courage in setting a date when the crash is at its peak. But there is an alternative scenario which is

comes this autumn rather than a spring. That is a more conventional view - that crashes occur in October - but it is surely just as likely as the sell in May.

We in the UK have not been so mesmerised as the US by the boom in high-technology stocks

surely just as plausible. This is that the bull market runs on more or less intact through the spring and into the autumn, with maybe a plateau in the summer. Then the final speculative peak

buy back in June, sell in January 1997 scenario.

What does all this mean for Britain? Historically the UK market has tracked the US one. It would be astounding if

a crash there did not result in a similar crash here. But valuations on the UK market, towards the top end of their historic range, are not at the extreme levels in the US. We have not been so mesmerised by the boom in high-technology stocks, if only because we have far fewer high-technology companies. There is still some value here. So while we should expect to be affected by the fall-out from the US, rationally the crash here need not be as dramatic as the crash there. The trouble with the word "rational", though, is that reason, like goodness, has nothing to do with it. Meanwhile put a ring around 20 May in your calendar.

Foreign Exchange Rates

Country	Spot	1 month	3 months
US	15282	31-11	31-28
Canada	21857	30-18	32-38
Germany	22523	54-57	55-59
France	77307	63-10	62-24
Italy	23683	68-83	67-24
Japan	16068	79-74	78-22
ECU	12768	15-12	14-38
Denmark	46550	2-8	33-28
Netherlands	87252	74-68	73-24
Norway	25239	66-57	65-17
Ireland	9792	12-7	11-21
Norway	98203	100-54	98-56
Spain	9122	37-47	36-18
Sweden	28434	11-17	10-41
Switzerland	13831	89-63	88-15
Australia	20185	18-25	17-21
Hong Kong	1185	124-85	123-89
Malaysia	38808	0-0	0-1
New Zealand	22899	0-0	0-1
Saudi Arabia	57395	0-0	0-1
Singapore	2583	0-0	0-1

Other Spot Rates

Country	Spot	1 month	3 months
Argentina	15282	31-11	31-28
Australia	20185	18-25	17-21
Brazil	15302	0-0	0-1
China	22700	0-0	0-1
Egypt	51857	0-0	0-1
Finland	9122	37-47	36-18
France	77307	63-10	62-24
Germany	22523	54-57	55-59
Greece	39376	0-0	0-1
India	52450	0-0	0-1
Kuwait	40475	0-0	0-1

Forward rates quoted high to low are at a discount; rates quoted low to high are at a premium. "Dollar rates quoted as reference." For the latest foreign exchange rates call 081 123 3033. Cals cost 36p per minute (cheaper rates) 44p other times.

Interest Rates

UK	Base	Discount	3 month
UK	8.25%	Discount	3.00%
France	8.25%	Discount	3.00%
Germany	8.25%	Discount	3.00%
Italy	8.25%	Discount	3.00%
Japan	8.25%	Discount	3.00%
Spain	8.25%	Discount	3.00%
Sweden	8.25%	Discount	3.00%
Switzerland	8.25%	Discount	3.00%
Australia	8.25%	Discount	3.00%
Hong Kong	8.25%	Discount	3.00%
Malaysia	8.25%	Discount	3.00%
New Zealand	8.25%	Discount	3.00%
Saudi Arabia	8.25%	Discount	3.00%
Singapore	8.25%	Discount	3.00%

Bond Yields

Country	5yr	10yr	15yr	20yr
UK	8.25%	8.25%	8.25%	8.25%
France	8.25%	8.25%	8.25%	8.25%
Germany	8.25%	8.25%	8.25%	8.25%
Italy	8.25%	8.25%	8.25%	8.25%
Japan	8.25%	8.25%	8.25%	8.25%
Spain	8.25%	8.25%	8.25%	8.25%
Sweden	8.25%	8.25%	8.25%	8.25%
Switzerland	8.25%	8.25%	8.25%	8.25%
Australia	8.25%	8.25%	8.25%	8.25%
Hong Kong	8.25%	8.25%	8.25%	8.25%
Malaysia	8.25%	8.25%	8.25%	8.25%
New Zealand	8.25%	8.25%	8.25%	8.25%
Saudi Arabia	8.25%	8.25%	8.25%	8.25%
Singapore	8.25%	8.25%	8.25%	8.25%

Money Market Rates

Interbank	2 1/2%	5%	6%	8%	10%	12%	15%	18%	20%
UK	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%
France	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%
Germany	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%
Italy	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%
Japan	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%
Spain	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%
Sweden	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%
Switzerland	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%
Australia	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%
Hong Kong	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%
Malaysia	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%
New Zealand	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%
Saudi Arabia	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%
Singapore	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%

Liffe Financial Futures

Contract	Settlement	High/Low	Open	Close
Long Bond	105-11	105-11	105-11	105-11
Short Bond	105-11	105-11	105-11	105-11
UK Govt	105-11	105-11	105-11	105-11
US Govt	105-11	105-11	105-11	105-11
Japan Govt	105-11	105-11	105-11	105-11
France Govt	105-11	105-11	105-11	105-11
Germany Govt	105-11	105-11	105-11	105-11
Italy Govt	105-11	105-11	105-11	105-11
Spain Govt	105-11	105-11	105-11	105-11
Sweden Govt	105-11	105-11	105-11	105-11
Switzerland Govt	105-11	105-11	105-11	105-11
Australia Govt	105-11	105-11	105-11	105-11
Hong Kong Govt	105-11	105-11	105-11	105-11
Malaysia Govt	105-11	105-11	105-11	105-11
New Zealand Govt	105-11	105-11	105-11	105-11
Saudi Arabia Govt	105-11	105-11	105-11	105-11
Singapore Govt	105-11	105-11	105-11	105-11

Commodity Indices

High/Low for		EstConfs	Open
	traded		
16	107.28	22587	61448
17	107.37	22582	59408
18	104.82	524	0
19	105.55	37427	23708
20	93.94	8752	63568
21	94.00	23894	73795
22			
23	96.88	10434	104087
24	96.80	25278	200820
25	96.40	9538	6878
26	95.41	457	543
27	95.26	1059	19394
28	376.00	9012	44547
29	425.00	20	2948
30	90.32	5471	32628
31			
32	3880	38950	Call/Put
33	8241	28707	Total/void
34	45706	5181	..
35	68096	47124	..
36	50111	67132	..

market report/shares

DATA BANK

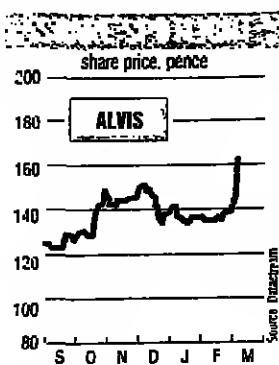
FT-SE 100
3768.6 +15.9

FT-SE 250
4244.9 +8.5

FT-SE 350
1883.1 +7.1

SEAQ VOLUME
650.4m shares,
37,257 bargains

Gilts Index
93.90 +0.34



City tackles Manchester United's television ambitions

The possibility of Manchester United establishing its own television channel is intriguing the stock market.

Stories, which started in Manchester, suggested such a development was near although sources close to the club felt it unlikely – at least for some years.

The possibility of leading football clubs running their own TV operations has become increasingly likely as the screen sports revolution has emerged.

United, with a much more highly developed commercial operation than any other club, would lead the charge.

At the moment it is standing shoulder to shoulder with other Premiership clubs in supporting the existing BSkyB deal. But Whitehall is examining the Premiership link to see whether it could be judged a cartel.

The 20 Premiership clubs

collect £40m of annual revenue from TV. If United bypassed the big broadcasters it could dramatically increase its take. Last night's clash with Newcastle United would represent a huge pay day. Following the reserves and juniors would also keep the cup overflowing.

United shares, in brisk trading, held at 267p, selling at 11 times last year's earnings. With TV interests they could enjoy a much higher rating.

The rest of the market had a mixed session with the FT-SE 100 index gaining 15.9 points to 3,768.6 after stripping out 5.9 for dividend payments; the supporting index moved to a new peak with an 8.5 gain to 4,244.9.

The bid for Trafalgar House contained no surprises. The shares rose 3.5p to 48.25p against the 50p offer. The preference shares gained 8.5p to 78p compared with the 80p bid.



MARKET REPORT

DEREK PAIN

Stock market reporter
of the year

JD Wetherspoon, the pubs chain, sent ripples of unease through the brewing and puts sector. It accompanied another set of sparkling figures by adopting a new accounting policy – depreciating its freehold properties. As a relatively new company the exercise was not painful – a £400,000 hit.

For long there has been a debate in the drinks industry about its policy of not depreciating freeholds. Many accountants think it should.

If the Wetherspoon approach was adopted it would have a telling impact on the results of many of the long established groups including Greenalls and Bass.

Alvis, the defence group, advanced 6p to 163p fuelled by takeover talk and the benefits which could emerge if the Ministry of Defence's three country armoured vehicle programme makes headway.

Hanson edged forward 1p to 190.5p on US buying. There is talk it is near to making a disposal which would enhance the value of the proposed merger. One suggestion is the sale of its electricity operation, Eastern, to a US utility.

Yorkshire Electricity, last week's hot tip for a utility bid, rose 9.5p to 803p. The shares were at one time up to 809p. The group is thought to have attracted the attention of at

least two US groups but their interest has yet to translate into a bid.

Argos the catalogue stores chain, was the latest to attract buy-back speculation, up 17p to 634p. House of Fraser was again tickled by talk of takeovers and boardroom changes. The shares gained 3p to 189p.

Pharmaceuticals were firm, partly on a London drug conference. Zeneca added 21p to 1,288p as its Tomudex cancer treatment was launched. BTG, deeply involved in the new drug, put on 55p to 1,305p.

Food retailers drew nourishment from the forecast food prices will increase 4 per cent this year. Tesco, despite further profit downgrades, improved 7.5p to 278.5p.

Copyright Promotions, the merchandising group, jumped 22p to 104p as Mosaic Investments exchanged its 22.5 per cent stake for a 0.9 per cent in-

terest in the Trocadero. Mosaic gained 3p to 34p and Trocadero 2p to 53p.

Peel, the property group, shaded 3p to 320p after buying in 367,000 shares at 320p.

A tip sheet mention lifted Wakebourne, the computer group, 4p to 24p. But Memory Corporation, which repairs defective chips, had another winding session, falling 55p to 170p. The shares have collapsed 225p in six days.

Nynex, the cable group, was 3p firmer at 105p on reports it planned a merger with Telewest, unchanged at 136p.

Canadian Pizza, which has failed to perform during its 30 months of quoted life, edged forward 2p to 72p as ABN Amro Hoare Govett made encouraging noises. Its recent £1.4m profit was not as poor as expected and Hoare thinks it could make £2m this year with £2.5m next. The shares came to market at 200p.

TAKING STOCK

Abertest Trust, the fund manager, firmed to 123p as Scottish Value, which is endeavouring to shake-up the investment industry, abandoned its predatory intent by selling its 14.3 per cent stake. The sale occurred as Abertest linked with Phoenix Home, a US insurer, for an American drive. Phoenix is buying convertible notes which could translate into a 17.1 per cent interest in Abertest.

Enviromed, the healthcare group, has almost eliminated debt by selling its dental equipment group side. Another disposal is near. It expects its diagnostic division to become its main earner. Profits will not be made this year but should start to flow next. Enviromed, where stake holding is evident, has yet to impress. The shares fell 3p to 25p (after 17p). They were floated at 110p.

Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items.

Other details: Ex Rights = Ex-dividend as Exal = Unlisted Securities Market's Suspended up Parity Paid per Nil Paid Shares.

Source: Reuters

The Independent Index

The index allows you to access real-time share prices by phone from Seaq. Simply dial 0891 223 333, followed by the 4-digit code printed next to each share. To access the latest financial reports, dial 0891 223 333 followed by one of the two-digit codes below.

For assistance, call our helpline 071 573 4275 (9.30am - 5.30pm).

Call cost 20p per minute (cheap rate), and 40p at all other times. Call charges include

Market leaders: Top 20 volumes

FT-SE 100 index hour by hour

Open 3768.6 up 15.9

11.00 3783.1 up 124

12.00 3787.7 up 120

13.00 3788.4 up 127

14.00 3789.3 up 142

15.00 3784.7 up 120

16.00 3787.7 up 120

17.00 3788.4 up 127

18.00 3789.3 up 142

19.00 3784.7 up 120

20.00 3787.7 up 120

21.00 3788.4 up 127

22.00 3789.3 up 142

23.00 3784.7 up 120

24.00 3787.7 up 120

25.00 3788.4 up 127

26.00 3789.3 up 142

27.00 3784.7 up 120

28.00 3787.7 up 120

29.00 3788.4 up 127

30.00 3789.3 up 142

31.00 3784.7 up 120

32.00 3787.7 up 120

33.00 3788.4 up 127

34.00 3789.3 up 142

35.00 3784.7 up 120

36.00 3787.7 up 120

37.00 3788.4 up 127

38.00 3789.3 up 142

39.00 3784.7 up 120

40.00 3787.7 up 120

41.00 3788.4 up 127

42.00 3789.3 up 142

43.00 3784.7 up 120

44.00 3787.7 up 120

45.00 3788.4 up 127

46.00 3789.3 up 142

47.00 3784.7 up 120

48.00 3787.7 up 120

49.00 3788.4 up 127

50.00 3789.3 up 142

51.00 3784.7 up 120

52.00 3787.7 up 120

53.00 3788.4 up 127

54.00 3789.3 up 142

55.00 3784.7 up 120

56.00 3787.7 up 120

57.00 3788.4 up 127

58.00 3789.3 up 142

59.00 3784.7 up 120

60.00 3787.7 up 120

61.00 3788.4 up 127

62.00 3789.3 up 142

63.00 3784.7 up 120

64.00 3787.7 up 120

65.00 3788.4 up 127

66.00 3789.3 up 142

67.00 3784.7 up 120

68.00 3787.7 up 120

69.00 3788.4 up 127

70.00 3789.3 up 142

71.00 3784.7 up 120

72.00 3787.7 up 120

73.00 3788.4 up 127

74.00 3789.3 up 142

75.00 3784.7 up 120

76.00 3787.7 up 120

77.00 3788.4 up 127

78.00 3789.3 up 142

79.00 3784.7 up 120

80.00 3787.7 up 120

81.00 3788.4 up 127

82.00 3789.3 up 142

83.00 3784.7 up 120

84.00 3787.7 up 120

85.00 3788.4 up 127

86.00 3789.3 up 142

87.00 3784.7 up 120

88.00 3787.7 up 120

89.00 3788.4 up 127

90.00 3789.3 up 142

91.00 3784.7 up 120

92.00 3787.7 up 120

93.00 3788.4 up 127

94.00 3789.3 up 142

95.00 3784.7 up 120

96.00 3787.7 up 120

97.00 3788.4 up 127

98.00 3789.3 up 142

99.00 3784.7 up 120

100.00 3787.7 up 120

101.00 3788.4 up 127

102.00 3789.3 up 142

103.00 3784.7 up 120

104.00 3787.7 up 120

105.00 3788.4 up 127

106.00 3789.3 up 142

107.00 3784.7 up 120

108.00 3787.7 up 120

109.00 3788.4 up 127

110.00 3789.3 up 142

111.00 3784.7 up 120

112.00 3787.7 up 120

113.00 3788.4 up 127

114.00 3789.3 up 142

115.00 3784.7 up 120

116.00 3787.7 up 120

117.00 3788.4 up 127

118.00 3789.3 up 142

119.00 3784.7 up 120

120.00 3787.7 up 120

121.00 3788.4 up 127

122.00 3789.3 up 142

123.00 3784.7 up 120

124.00 3787.7 up 120

125.00 3788.4 up 127

126.00 3789.3 up 142

127.00 3784.7 up 120

128.00 3787.7 up 120

129.00 3788.4 up 127

130.00 3789.3 up 142

131.00 3784.7 up 120

132.00 3787.7 up 120

133.00 3788.4 up 127

134.00 3789.3 up 142

135.00 3784.7 up 120

136.00 3787.7 up 120

137.00 3788.4 up 127

138.00 3789.3 up 142

139.00 3784.7 up 120

140.00 3787.7 up 120

141.00 3788.4 up 127

142.00 3789.3 up 142

143.00 3784.7 up 120

144.00 3787.7 up 120

145.00 3788.4 up 127

146.00 3789.3 up 142

147.00 3784.7 up 120

148.00 3787.7 up 120

149.00 3788.4 up 127

150.00 3789.3 up 142

151.00 3784.7 up 120

152.00 3787.7 up 120

153.00 3788.4 up 127

154.00 3789.3 up 142

155.00 3784.7 up 120

156.00 3787.7 up 120

157.00 3788.4 up 127

158.00 3789.3 up 142

159.00 3784.7 up 120

160.00 3787.7 up 120

161.00 3788.4 up 127

162.00 3789.3 up 142

163.00 3784.7 up 120

164.00 3787.7 up 120

165.00 3788.4 up 127

166.00 3789.3 up 142

167.00 3784.7 up 120

168.00 3787.7 up 120

169.00 3788.4 up 127

170.00 3789.3 up 142

171.00 3784.7 up 120

172.00 3787.7 up 120

173.00 3788.4 up 127

Dunwoody to partner Alderbrook

sport

The question is whether Thomas's confidence is better served by pitching him in again against France or by giving him a rest

Though Wales lost to Ireland, and England ground out the win against Scotland which I reluctantly predicted last week, the Five Nations' championship remains the greatest sporting competition in the world. It would have been pleasantly romantic if Scotland could have won the Triple Crown and the Grand Slam. They would have done too, I think, if Gregor Townsend had simply carried on running - rather as Andy Hancock did for England when they narrowly beat Scotland at Twickenham in 1965.

Townsend's mistake was to look for support, which enabled Rory Underwood to make the semi-tackle that deprived him of a try. Actually the Hancock comparison is not exact. The England wing was looking for support all the time. But none came. So he simply ploughed on at what (through the mists of memory) seemed a rather slower pace than Townsend displayed on Saturday.

It would also have helped if Michael Dods had been in better touch with the ball. To which one has to add, in fairness to England, that Paul Grayson would have had to be in worse touch simultaneously, striking the ball as uncertainly as he did against Wales.

If Dods had kicked all six penalties instead of three, Scotland would have ended up with 18 points - enough for a draw. But if Grayson had kicked all his nine attempts rather than six, England would have finished with 27 and so still have won the match.

As it is, however, the final matches to be played on 16 March are of the greatest interest. England can still win the Triple Crown and the championship. But Scotland and France can each win the championship as well.

If Ireland defeat England and Wales France, Scotland, with six points, become the outright champions. If, however, England, France or both win, the competition (under the admirable new rule introduced in 1995) will be decided on points difference.

Scotland have a points difference of only four, England of 12 and France, owing largely to their win over Ireland, of 33. Accordingly, if England, France or both win, Scotland are out of contention. France could beat Wales by one point. In those circumstances, England would have to put a margin of at least 23 points between themselves and the Irish. If France beat Wales by a greater margin than one, Eng-



ALAN WATKINS
on rugby

land would have correspondingly more to do.

At the start of the season I nominated France as the best investment (as the bookies like to call it), with Ireland as the most attractive "fun" bet. Well, this second recommendation does not look so clever today, even though the Irish seem to have put up an old-fashioned spirited performance against Wales. But I must confess to a feeling of self-satisfaction, smugness even, over those correspondents (all of them, as a matter of fact, English) who have written to reprehend me for preferring France to Scotland.

As I say, Scotland can still do it if both England and France go down on Saturday week. I hope they do. It would provide an impossibly romantic end to the season. Scotland, who surprised everybody, would have won the championship despite their defeat by England; while the two underdogs would have ended their season to tunes of glory. Yet Wales have been successful in only one of their last seven encounters with France in Cardiff, in 1994. In the 1970s and until 1982, they used to win regularly (with the 1974 match drawn). But that was another time.

Forest rely on Roy for inspiration

Glenn Moore on a difficult Uefa Cup quarter-final first leg for Frank Clark's side

Although the arrest of 21 supporters in Munich for alleged fighting and robbery cast a shadow on tonight's Uefa Cup quarter-final first-leg tie, Nottingham Forest will approach it more optimistically than was once envisaged.

Bayern Munich may be one of the great European clubs, they may lead the Bundesliga, they may have scored 10 goals in their last two domestic games, and seven - against Benfica - in their last European tie, but they are not happy.

Jürgen Klinsmann, who scored six against Benfica, taking this season's personal European tally to 11 goals, railed last week against his teammates' "ego mentality". Lothar Matthäus may have felt his ears burning. Their mutual antipathy has reached the stage where Uli Hönes, once a World Cup winner, now the club's manager, has publicly asked for an increase in team spirit and reduction in ego.

Contrast this to a Forest side whose resolute European campaign has vividly illustrated a dressing-room prepared to work for one another. Frank Clark's skilful man-management is best exemplified by Ian Woan. After the quarter-final draw was made he told a Sunday tabloid that Forest had no chance. Clark dropped him for that day's match and disciplined him. Woan has since signed a new contract and is playing so well he is being mentioned as an England prospect.

Such is the lack of ego that Steve Stone, their newest England cap, not only admits to asking Klinsmann for his autograph last season but adds that "he just scribbled something unrecognisable before he scurried on to the bus without looking at me."

I felt like shouting: 'I've just played against you.'

Woan and Stone are struggling to be fit, as is the man who epitomises Forest's spirit, Stuart Pearce. With Colin Cooper suspended for the first leg, the captain's presence is all the more needed.

Pearce has been troubled by a calf injury since January and Clark admitted: "He is less than 50-50, but if it was any other player it would be 90-10 against. If it was anyone else I would not consider playing him, but he is an exception."

While I have no qualms about their replacements (David Phillips and Alf Inge Haland), who both have high-match experience, we would miss the leadership Pearce and Cooper provide.

The Italian striker, Andrea Silenzi, did not go to Germany after a virus he suffered over the weekend flared up. His place in the party was taken by the 20-year-old reserve forward, Steve Guinan. Hope is provided by the return to form of Bryan Roy who, said Clark, "is our match-winner. It is for these sort of matches that we bought him." Roy may face a Bayern defence bereft of Matthäus, who has a groin injury.

Bayern have lost five of their last six meetings with English clubs, even losing at home in the last one, to Norwich City.

They were not the first English club to win in the Olympic Stadium. That honour belongs to Forest, who beat Malmö to win the European Cup in Munich 17 years ago. Clark played that night. If he needs inspiration when preparing his pre-match call to arms, he just has to look around him.

When breaking up is hard to do

Kerry Shacklock talks to Keith Elliott about the pain of giving up synchronised swimming

Kerry Shacklock cried for months when she lost the love of her life. They had been together almost every day since she was just 11. In their 12-year romance, she had been national champion six times, collected two Commonwealth silver medals, won the Europa Cup and finished seventh in the Olympics. It is true that there was a well-publicised affair with Steve Backley for more than a year, but even the hunky javelin thrower couldn't drag her away from her real love.

And so, when she decided to give up synchronised swimming last year, it broke her heart. "I cried for months," she admitted. "There was just a huge gap in my life." Even 12 months on, she still fights back tears as she recalls the days when her only worry was whether her barracuda back pike somersault and combined spin had been executed perfectly.

Shacklock's problem is not unique. Many top swimmers, coached from an age when they are still worrying about their multiplication tables, are like fish on a floor once they hang up their costumes. Suddenly, they are in their twenties with no career, few prospects and little idea of how to earn money. It is a serious problem, and few sports address how to integrate yesterday's heroes into a world where everything doesn't go swimmingly.

Shacklock, 24, is probably luckier than most. She did, after all, stay on at school to take A levels. She is very attractive and has done some modelling (including an appearance in last year's third best-selling calendar, featuring sports stars in skimpy outfits).

She is taking a sports therapy diploma, working in a gym as a fitness consultant, doing some massage work, and running aerobic, Callanetics and circuit classes. She is even undertaking a little synchronised swimming tuition. But she still lives with her parents and is diffident as a 14-year-old on her first date. Life is still a little frightening.

It all started at the local swimming pool. She watched a demonstration of synchronised swimming and got interested. "At the time, it was just something to do." Five years later, she was a member of the British Olympic squad. Other honours followed: fourth in the junior world championships and the European Championships, national champion (a title she was to hold for six years) and two silvers in the Commonwealth Games.

Helped by sponsorship from a shampoo company and a swimming-pool maker, she swam for six hours a day, every day. It paid off with second place in the Europa Cup and seventh in the Olympics, where she had not been expected to make the final. In 1993, she won two bronze medals at the European Championships, and the following year won the Europa Cup, as well as collecting two silver medals in the Commonwealth Games.

But it all went wrong when her sponsorship dried up. Shacklock admits that her own shyness probably didn't help the quest for a replacement. A synchronised swimmer, however good, is not as attractive to sponsors as a 100-metre butterfly prospect. Shacklock suddenly found that she did not have the money to continue using a private trainer. "My mum is a secretary and my dad's an electrician. They have



In her element: Kerry Shacklock goes through her paces

Photograph: Peter Jay

been really, really supportive, but they just didn't have the money to pay for all my needs. I couldn't get a job because I needed so much time for my training. I had no money to do anything. Early in 1995, I finally made the decision that I couldn't go on, even though I believe I could have swum in the 2000 Olympics, because I was still improving.

"It was very hard to adjust and there were a lot of tears. I still feel bitter about it, the way it made me feel at the end of the day. Perhaps it was my fault because I took it so seriously, but it just left me out on a limb. It's taken me this long - a whole year - to work my life out. People didn't understand how hard it was." She looks away and blinks a lot. It still hurts.

But the critics have won a small victory. Clark feels that the best way to counter negative publicity is to emphasise the fitness aspect and play down the glitz. So her committee has banned sequins on costumes, although internationally they are still allowed. "I think this is a shame," Shacklock says. "In competitions, all the other girls have these amazing costumes and we have dowdy ones. I think people like the glamour of it."

But that's all behind her now. Shacklock now believes she can watch a competition without feeling the pain of not being there. "It will be weird, watching the Olympics, and sad because I would really love to be there. But I'm out of it now, and I won't ever try to go back."

WHERE ARE THEY NOW?

As the champion of women's cricket, Rachel Heyhoe-Flint acquired one distinction Michael Atherton seems unlikely to share: she captained a World Cup-winning England team. Indeed, she was unbeaten as skipper from 1986-77, in addition to scoring almost 1,600 "test" runs.

The name became synonymous with her sport, although not everyone these days makes the connection. "On one occasion, someone I met on a train spent an hour and half discussing show jumping," she said. "Another seemed to think I had sailed the world single-handed."

Nowadays, she is public relations executive of Wolverhampton Wanderers, a role that stemmed from a friendship for nearly 26 years ago with the club's wealthy patron, Sir Jack Hayward, who sponsored an England women's cricket tour to the West Indies in 1970.

A former PE teacher and, briefly, tennis coaching coach, she once coached the US women's hockey team and also kept goal for England.



Rachel Heyhoe-Flint

She took up journalism in the 1970s, writing for the Daily Telegraph and cricket magazines as well as becoming sports editor of the Wolverhampton Chronicle.

She represents a number of golf clubs, but football is her first love. "Apart from getting to see the games, I do a lot of community work, which I really enjoy," she said. Now 56, she is married to former Warwickshire cricketer Derrick Flint. Her son, Ben, is at Durham University.

Jon Culley

Ball in LTA's court as Lloyd shows interest in the leading role

Tennis
JOHN ROBERTS

David Lloyd, the scourge of the Lawn Tennis Association before being made Davis Cup captain, indicated yesterday that he would be interested in succeeding Ian Peacock as chief executive - given a free hand.

"I don't think I could take the job in the capacity Ian Peacock had it, where he really has been tied by committees. I couldn't work like that," Lloyd said. "It would have to be a completely different ball game, where you'd call the tune without worrying what people say all the time."

Such a statement would have eliminated Lloyd from consideration had the post been open a couple of years ago, but last year the LTA showed a change of attitude towards its most vociferous critic by giving him the Davis Cup job.

Guiding a team from the brink of fourth-rate status in the world is one thing, loosening the grip of amateur British administrators could prove a far greater challenge.

It may be decided that Lloyd is of more value motivating the players, although he could argue that, given a wider brief, he could devote his energy to raising standards. There is no urgency for an appointment to be made. Peacock, having announced that he will remain in the job until his contract expires at the end of September.

"David Lloyd obviously is a potential candidate," Peacock said, "but we've got a little bit of time to go through the process and see who's around, and for the board to clarify in their own mind what sort of person they want sitting in this chair: whether they want a David Lloyd high-profile person, or whether they want someone who's going to run a £45m business."

Wild game,
but then the English have always been
partial to blood sports.

First game April 14th
London Monarchs V Scottish Claymores

AMERICAN FOOTBALL. ENGLISH TURF.
CALL 0500 35 35 35 FOR TICKETS.

In this sport, it's the humans who are treated with cruelty.
Venue: White Hart Lane, Tottenham • Home games: April 14, May 6, May 19, May 27, June 16 • Courtesy shuttle bus with return service from Seven Sisters tube. Pre-game Power Party at 12:00pm • Kick-off at 3:00pm • Half-price admission for children 12 and under • Season tickets: 5 for the price of 4.

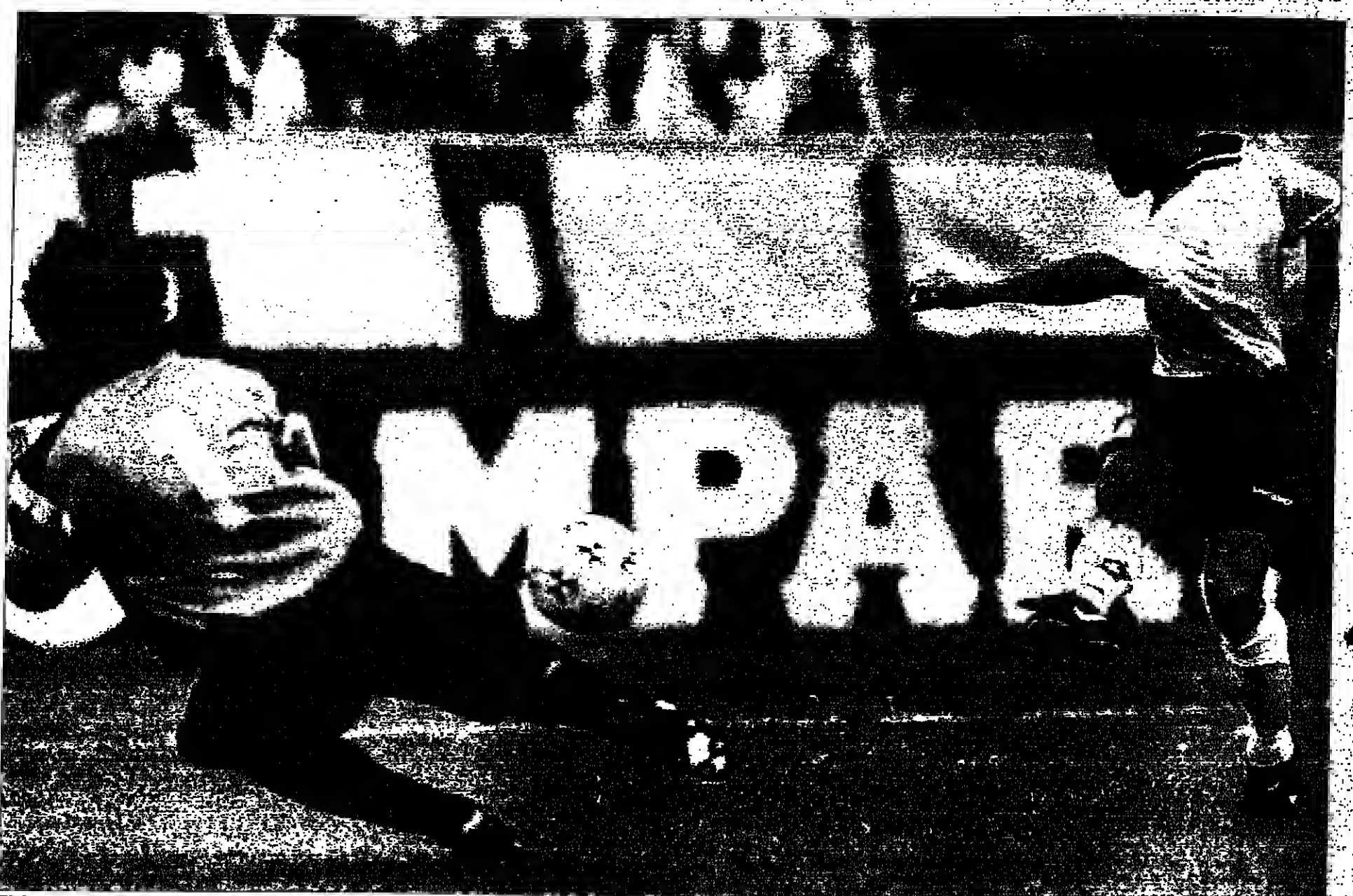


FA probes problem of tactical bookings

Football
PHIL SHAW

Aston Villa, and Ugo Ehiogu in particular, were last night sweating on the Football Association's reaction to the referee's report on Sunday's defeat at Liverpool. In the worst-case scenario, the England Under-21 defender could still miss the Coca-Cola Cup final through suspension. Ehiogu assumed that the possibility of sitting out the Wembley date with Leeds on 24 March had disappeared with his caution for fouling Robbie Fowler. He believed the booking carried a four-point penalty, taking him through the 21-point threshold. That would have meant missing the visit of Middlesbrough on 19 March, but left him clear for the final. However, Ehiogu learned yesterday that the referee, Keith Cooper, had cautioned him for "ungentlemanly conduct". It will be up to the FA's disciplinary committee to decide whether to impose a two or four-point penalty. If it is two, Ehiogu would be walking a disciplinary tightrope in the next two games. Villa's Savo Milosevic was booked at Anfield and misses Middlesbrough rather than Wembley. Andy Townsend incurred a similar caution against Blackburn which left him free to face Leeds. Tommy Johnson is one point away from suspension. The spate of cautions for players on the brink of a ban has prompted disquiet at the FA, which suspects some may be trying to guarantee their availability for certain games. "While we're against deliberate manipulation of the system, it is very hard to determine what is in a player's mind when he commits an offence. It's all a question of intent, and we would not want to see a player who went out to seek a booking. But when an offence takes place, we can't ignore it."

The FA also reiterated its support for the domestic transfer system, despite the fact that fees for out-of-contract players who move between two countries were effectively abolished earlier in the day. Uefa, the game's governing body in Europe, announced its acceptance of the ruling of the European Court of Justice in the wake of the Jean-Marc Bosman case, whereby the transfer system was no longer enforceable when players moved between the 15 European Union nations. The FA's Clare Tomlinson said: "At the moment no one's challenging our system. We hope it remains that way because it's an excellent one, without which many smaller clubs might not survive." Transfers between clubs in the four home nations are unaffected: EU law regards them as a single state. The Bosman fall-out has not curtailed Barry Fry's wheeler-dealing. He paid £350,000 to make the York striker Paul Barnes his 52nd signing as Birmingham manager. Gary Bull, joining York as part of the deal, West Bromwich Albion have agreed a £400,000 fee with Bolton for Richard Sneekes. The Dutch midfielder will be Albion's costliest capture in 10 years if he chooses the home ahead of Ipswich and Grimsby. Sunderland have signed the Liverpool and former England striker Paul Stewart on a free transfer, barely four years after his £2.3m switch from Spurs. John Jensen, a £1.1m Arsenal buy during the same summer, is set to rejoin Brøndby in Denmark, also on a "free". Middlesbrough are expecting a large gate for tomorrow night's reserve game by giving Branco a run-out. The Brazilian international, whose first taste of English football was against Everton in the Premiership on Saturday, now lines up against Leicester City in the Football League Second Division match. Season ticket holders will have free admission.



Right on target: Juninho displays the scoring touch sorely missed by Middlesbrough as he nets his and Brazil's second goal in their 3-1 defeat of Uruguay in the Olympic qualifying tournament. Their place in Atlanta assured, Brazil meet fellow qualifiers Argentina tomorrow, after which Juninho will return to Teesside. Photograph: Retna

Hibernian to investigate Goram incident

The Hibernian chairman, Douglas Cromb, yesterday launched an internal inquiry into an incident in which a supporter was alleged to have attacked Andy Goram, the Rangers goalkeeper, on the Easter Road pitch on Sunday. A man appeared in court in Edinburgh yesterday, charged with assault and breach of the peace for the incident, which came during Rangers' 2-0 Scottish League victory. Cromb was waiting for reports from the police and stewards who were on duty at Easter Road, while the Scottish Football Association is also to investigate the incident. However, the Labour MP John McFall, deputy shadow Secretary of State for Scotland, has asked for an intelligence supremo to be appointed and

accused the SFA of being "too complacent" about security. The match was shown live on Scottish Television and follows an incident at Aberdeen in January when the referee, Michael McCurry, was hit by a coin which had been thrown from the stands. "You are asking me how a fan was able to run on to the pitch and get to an opposition player and I want to know the same thing," the Hibernian chairman said. Cromb, who described the incident as "deplorable", denied there had been a lack of adequate policing at the match. As the Goram incident flared, there was a commotion in another part of the ground and the police said after the match that there had been six arrests and eight ejections.

"We actually had more police on duty yesterday than is normal," Cromb insisted. "We had the full complement for a Category A game, which is one against Celtic, Rangers or Hearts, and we had beefed up that total as well." Cromb was at a loss as to how else a club could prevent such an incident, although clearly erecting fences again is the only obvious answer. Jim Farry, the chief executive of the SFA, confirmed that they will wait for the report from the match referee, Willie Young, before setting up an inquiry. "The management of any sport has to be concerned when something like this happens," Farry said. Rangers' Gordon Petrie and Paul Gascoigne have been cleared to play in the Old Firm

title decider with Celtic at Ibrox on 17 March. Both were booked at Hibernian on Sunday, but are still below the 16-point disciplinary threshold, which would incur three-match bans. Richard Gough, the Rangers captain, will miss the match through injury and defender David Robertson will be starting a two-match suspension. Gough's comeback after a four-match absence lasted only 44 minutes before he left the pitch with a calf strain which will keep him out from four to six weeks. "Richard has had his calf put in plaster now until the end of the week," said Walter Smith, the Rangers manager. "It still looks like he will be out for a month at least. Alex Cleland, Craig Moore and John Brown

have all played in that position this season so we have one or two options, but we will miss Gough's influence on the team." Gordon Durie, Rangers' top goalscorer, should resume training in a week or so, but it will be touch-and-go for the Celtic match on St Patrick's Day. Meanwhile, Ian Ferguson could be fit for Saturday's Scottish Cup quarter-final against Third Division Caledonian Thistle at Tannadice Park. Alan Lawrence, the Hearts striker, is out of Thursday's cup quarter-final against First Division St Johnstone. Lawrence has been given an immediate one-match ban for an incident in a match against Rangers last October. However, the committee have dropped the 12 penalty

points against Lawrence after hearing evidence from the Rangers defender Craig Moore who was caught by Lawrence's elbow in the Ibrox match. Both players gave evidence yesterday after Lawrence was granted second hearing through the SFA's appeals process. The Juventus captain, Giuseppe Vialli, will miss tomorrow's European Cup quarter-final first leg at Real Madrid. Vialli, who needed stitches after suffering a gashed ankle in the Italian champions' 5-0 defeat of Parma in Serie A on Saturday, is out for at least a week. Turin side are expected to be on their Italian international Alessandro Del Piero and front striker Rivaldo on the bench. Attilio Lombardo reinforced the midfield.

THE INDEPENDENT CROSSWORD
in association with
CHARLES WELLS
BOMBARDIER
PREMIUM BITTER

No. 2926, Tuesday 5th March By Aclred Monday's Solution

ACROSS
1 Dispatch worker takes cards to Queen (6)
4 Fat fellow associated with research place (6)
10 Ring made to go on digits (9,6)
11 Cat in river is very black (5)
12 One doctor, right to demolish igloo, makes a mess (9)
13 European holds party for returning pet (6)
15 The French upset many a non-professional person (6)
16 Potato left by King Lear? (6)

DOWN
1 Vegetable one's to put at bottom of cooking vessel (6)
18 Make too much of OD? (6)
21 Fall as a retailer supporting deception (9)
22 Endless game of cards causes irritation (5)
23 Ideal for overworked chefs? (8,7)
24 Don't agree to one's being surrounded by all the others (6)
25 Dog eating one had reached perfection (6)

DEFECT STRIDENT RNDLEVE PRECARIOUS FREA OROUITEFO GROUTING OODIE N D H U B SPAT ONANDOFF O E M L E U E ANTHROUNG TOLL SCAMPI SLIPROAD U C P G T R OMEN APOTHEOSIS A G L N E U E UNTHREND RUSTLE

2 Repilian quality which is deliberately shown (4-11)
3 Busy temp has ven to be unoccupied (5)
5 Part of blood you elect to change; it contains carbon (9)
6 Boil, then pipe this food (6,3,6)
7 Concern about one upward-growing plant (6)
8 Phone place in Alabama (6)
9 Using words to describe meat-eating brother coming up (6)
14 Pronunciation mark is said to change before being inserted (9)
17 Remove moisture round organ; it's boring (6)
18 Officer commanding security gets an indication of time (6)
19 Person in field event needs something to wear (6)
20 Practised part of Bible by day (6)
22 Public relations unit is hying (5)

Win a Weekend Break or a case of Bombardier Premium Bitter
CALL 0891 311 017

When you have the answers to the first three clues across AND the first three clues down phone 0891 311 017 and leave your answers with your name address and daytime telephone number by midnight tonight. Each day there is a chance to win a Weekend Break or a case of Bombardier Premium Bitter. Prizes from all entries for the week a winner will be selected. Calls cost 39p per minute plus 10p per minute at other times. Winners names can be obtained by sending an SAE to - Charles Wells, c/o The Independent, Unit A, Bowe House, St Paters Road, Maidenhead SL6 7QU

Arrival of Ramprakash good news for Stewart

Cricket

Alec Stewart has been thrown a chance to revive his flagging England career. The hamstring injury sustained by Neil Fairbrother prompted manager Ray Illingworth to send for Mark Ramprakash yesterday as a World Cup replacement. While Ramprakash will only play in Saturday's quarter-final against Sri Lanka if more misfortune befalls England, Stewart suddenly has an opportunity to end his worrying winter on a high note. The decision to drop their vice-captain from Sunday's match with Pakistan was the clearest indication yet that Stewart's star is waning after six years as a Test and one-day international regular. He scored only one half-century during the recent five-Test series in South Africa, prompting Illingworth to exclude his name from those who could feel confident of their places this summer. Eight limited-overs

internationals since the start of January have brought an equally poor return - just a single contribution in excess of 50. The axe has been hovering, and it fell before the seven-Test defeat by Pakistan despite speculation Stewart might replace Jack Russell behind the stumps. With Robin Smith making a success of opening the batting another door slammed shut, but Fairbrother's injury has created a gap in England's middle order for Stewart to fill at Faisalabad on Saturday. Poorly though England have played, both collectively and, in the majority of cases, individually so far, the chance remains to make amends. As Illingworth said after the defeat by Pakistan: "We haven't lost any important games yet - the important ones are still to come." For Ramprakash to have any hope of making an impact, Illingworth's men must beat Sri Lanka. Then, once acclimatised, he could be a semi-final contender. Any opportunity is better than none at all. Thirteen months ago the Middlesex bats-

man flew from India to Australia at short notice, walked into the fifth Ashes Test and did himself proud with innings of 72 and 42. That was supposed to be the turning point of Ramprakash's career - but he failed against West Indies the following summer - and failed again in South Africa earlier this winter. "Mark has been on standby since we came out here and we are perfectly happy to have him now," said Illingworth following speculation that Nasser Hussain might have been a better bet. Fairbrother was last night preparing to start his sad journey home. It is not only the end of his World Cup but, at 32 and with a lengthening list of hamstring injuries, it could be the end of his England career. "Losing the last World Cup final was probably more disappointing, but this is bad," the Lancashire left-hander said. England are to tour Pakistan from October to December in the year 2000, in what will be their first Test trip to the country in 13 years. Richardson's day, page 23

Pakistan ready for Indian trip

Pakistan, the champions, play New Zealand in Lahore on Wednesday for second place in Group B, but win or lose the Pakistanis will have to play their quarter-final in India. If they win they could even end up playing against India in the southern city of Bangalore, but their captain, Wasim Akram, insists that does not worry them one bit. "We're not worried about going to India. The team is relaxed and confident," he said. Pakistan, beaten only by South Africa in their first four outings, would like to complete the league section of the tournament on a winning note but do not underestimate New Zealand.

"We are quite aware of their potential as we shared the one-day series last time in New Zealand," Akram said. "They are a good fighting side and we've got to play in the same way as we did against England." New Zealand and Pakistan are tied with six points each in Group B as they go into Wednesday's match. The New Zealanders have seen little action since they beat the United Arab Emirates by 109 runs in Faisalabad on 27 February but they are determined to give Pakistan a tough contest. "It is an important match for us because it is going to determine who finishes second and third and we must win to finish

second in the group," said the New Zealand captain, Lee Germann. On Sunday they played a warm-up match against Lahore Gymkhana Club, winning by a convincing 185 runs with all the front line batsmen making useful scores. Nathan Aslie, whose form dropped off after a fine century against England in the opening Cup match in the western Indian city of Ahmedabad, regained his touch with a top score of 59. Like Pakistan, New Zealand are set to play their quarter-final in Madras or Bangalore depending on what happens on Wednesday. New Zealand have only one injury worry in medium pacer Gavin Larsen with a strained calf muscle.

Published by Newspaper Publishing PLC, 1 Canada Square, Canary Wharf, London E14 3DL, and printed at Mirror Colour Print, St Albans Road, Watford. Back issues available from Historic Newspapers, 0800 906609. Tuesday 5 March 1996 Registered as a newspaper with the Post Office.

MORSE

NT Promises

(Morse Delivers).

MorseNT is the new division of Europe's largest open systems reseller.

MorseNT works with Compaq - a respected name in the NT market. It draws on our unrivalled client/server computer systems to help Microsoft's Windows NT operating system live up to its promise.

Call us on 0181 232 8585 to check out our performance.

COMPAQ
SYSTEMS RESALES

MorseNT 0181 232 8585